



ANNUAL FINANCIAL REPORT

Haywood County, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

***COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER***

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

***LEE ANN WEST, CPA, CGFM
Audit Manager***

***AMANDA MARCH, CPA, CFE
Senior Auditor***

***GREG HOWELL
TWYLA PRATT, CISA
State Auditors***

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

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in nine findings and recommendations, which we have reviewed with Haywood County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The General Fund required material audit adjustments for proper financial statement presentation.
- ◆ The Solid Waste Disposal Fund has a deficit in unrestricted net position.
- ◆ The office had deficiencies in budget operations.
- ◆ The office had accounting deficiencies.
- ◆ Funds were transferred without county commission approval.
- ◆ The Community Development/Industrial Park and Education Capital Projects funds had deficits in unassigned fund balances at June 30, 2020.
- ◆ An interfund loan was not authorized in accordance with state statute.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ County officials did not adequately control access to the courthouse offices.

INTRODUCTORY SECTION

Haywood County Officials

June 30, 2020

Officials

David Livingston, County Mayor
Perry Davis, Chief Administrative Highway Officer
Joey Hassell, Director of Schools
William Howse, Trustee
Gwen Watson, Assessor of Property
Sonya Castellaw, County Clerk
Mary Lonon, Circuit, General Sessions, and Juvenile Courts Clerk
Sarah Levy, Clerk and Master
Steve Smith, Register of Deeds
Billy Garrett, Jr., Sheriff

Board of County Commissioners

David Livingston, County Mayor, Chairman	John King
Joe Barden IV	Steven King
Becky Booth	Alan O'Quin
Ronald Bruce	Dell Phillips
Christian Byars	Chris Richards
James Carlton	Jeffrey Richmond
Wally Eubanks	Janice Rogers
Robert Green	Mary Ann Sharpe
Sharon Hayes	Larry Stanley
Leonard Jones, Jr.	Joe Stephens

Highway Commission

Robert English, Jr., Chairman
Bradley Booth
James Boyd
George Floyd
Chuck Lonon

Board of Education

Allen Currie, Chairman
Gem Bell
Olivia Farrington
Betsy Reid
Greg Vanstory

Audit Committee

Ronald Bruce, Chairman
Christian Byers
John King
Charlie Tripp

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Haywood County Mayor and
Board of County Commissioners
Haywood 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 Haywood 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 did not audit the financial statements of the Haywood County Utility District, a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Haywood County Utility District, is based solely on the report of the other auditors. We were unable to determine Haywood County Utility District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Haywood County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General 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 asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedule of school changes in the total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Haywood 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 Haywood 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 Haywood 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 Haywood 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 1, 2021, on our consideration of Haywood 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 Haywood 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 Haywood County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 1, 2021

JEM/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>ASSETS</u>					
Cash	\$ 49,290	\$ 194,646	\$ 243,936	\$ 236	\$ 664,505
Equity in Pooled Cash and Investments	12,387,058	820,810	13,207,868	5,253,709	0
Accounts Receivable	2,226,406	(246,243)	1,980,163	174	43,552
Allowance for Uncollectibles	(1,877,684)	10,483	(1,867,201)	0	0
Due from Other Governments	1,472,165	0	1,472,165	635,285	0
Due from Component Unit	230,635	0	230,635	0	0
Due from Other Funds	0	4,561	4,561	0	0
Property Taxes Receivable	8,568,421	0	8,568,421	4,290,742	0
Allowance for Uncollectible Property Taxes	(382,934)	0	(382,934)	(191,758)	0
Net Pension Asset - Agent Plan	1,374,541	32,359	1,406,900	999,702	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	164,528	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	3,028,057	0
Restricted Assets:					
Amounts Accumulated for Pension Benefits	0	0	0	138,950	0
Capital Assets:					
Assets Not Depreciated:					
Land	4,374,111	235,000	4,609,111	414,268	0
Construction in Progress	1,759,869	0	1,759,869	0	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	8,621,504	48,107	8,669,611	15,257,254	2,746,185
Infrastructure	9,803,298	0	9,803,298	0	0
Other Capital Assets	4,050,416	151,780	4,202,196	1,664,174	0
Total Assets	<u>\$ 52,657,096</u>	<u>\$ 1,251,503</u>	<u>\$ 53,908,599</u>	<u>\$ 31,655,321</u>	<u>\$ 3,454,242</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Amount on Refunding	\$ 163,864	\$ 0	\$ 163,864	\$ 0	\$ 0
Pension Changes in Experience	0	0	0	154,250	0
Pension Changes in Assumptions	222,776	5,244	228,020	575,788	0
Pension Changes in Proportion	0	0	0	19,632	0
Pension Contributions After Measurement Date	565,497	12,803	578,300	1,483,851	0
OPEB Changes in Experience	0	0	0	309,790	0
OPEB Changes in Assumptions	0	0	0	44,104	0
OPEB Changes in Proportion	0	0	0	17,424	0
OPEB Contributions After Measurement Date	0	0	0	74,756	0
Total Deferred Outflows of Resources	<u>\$ 952,137</u>	<u>\$ 18,047</u>	<u>\$ 970,184</u>	<u>\$ 2,679,595</u>	<u>\$ 0</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 977,535	\$ 37,201	\$ 1,014,736	\$ 311,241	\$ 18,557
Accrued Payroll	0	0	0	663,604	0
Payroll Deductions Payable	143,785	213	143,998	0	0
Cash Overdraft	385	0	385	0	0
Due to Other Funds	4,561	0	4,561	0	0
Retainage Payable	73,556	0	73,556	1,328	0
Due to Primary Government	0	0	0	230,635	0
Due to State of Tennessee	1,093	27	1,120	0	0
Accrued Interest Payable	45,742	0	45,742	0	0
Other Current Liabilities	0	0	0	86	0
Noncurrent Liabilities:					
Due Within One Year - Debt	1,776,285	17,719	1,794,004	0	0
Due Within One Year - Other	27,800	40,083	67,883	0	0
Due in More Than One Year - Debt	14,856,336	12,132	14,868,468	0	0
Due in More Than One Year - Other	39,908	1,680,071	1,719,979	1,723,672	0
Total Liabilities	<u>\$ 17,946,986</u>	<u>\$ 1,787,446</u>	<u>\$ 19,734,432</u>	<u>\$ 2,930,566</u>	<u>\$ 18,557</u>

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,825,215	\$ 0	\$ 7,825,215	\$ 3,918,573	\$ 0
Pension Changes in Experience	287,664	6,772	294,436	2,087,538	0
Pension Changes in Investments Earnings	306,926	7,225	314,151	1,095,357	0
Pension Changes in Proportion	0	0	0	68,038	0
OPEB Changes in Experience	0	0	0	590,595	0
OPEB Changes in Assumptions	0	0	0	191,459	0
OPEB Changes in Proportions	0	0	0	10,314	0
Total Deferred Inflows of Resources	<u>\$ 8,419,805</u>	<u>\$ 13,997</u>	<u>\$ 8,433,802</u>	<u>\$ 7,961,874</u>	<u>\$ 0</u>
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 18,157,429	\$ 405,036	\$ 18,562,465	\$ 17,335,696	\$ 2,746,185
Restricted for:					
General Government	171,368	0	171,368	0	0
Finance	1,589	0	1,589	0	0
Administration of Justice	318,747	0	318,747	0	0
Public Safety	54,200	0	54,200	0	0
Social, Cultural, and Recreational Services	12,737	0	12,737	0	0
Highway/Public Works	2,138,788	0	2,138,788	0	0
Capital Projects	39,865	0	39,865	0	0
Debt Service	156,619	0	156,619	0	0
Education	0	0	0	851,521	0
Operation of Non-instructional Services	0	0	0	711,212	0
Hybrid Retirement Stabilization Funds	0	0	0	138,950	0
Pensions	1,374,541	32,359	1,406,900	4,192,287	0
Unrestricted	4,816,559	(969,288)	3,847,271	212,810	689,500
Total Net Position	<u>\$ 27,242,442</u>	<u>\$ (531,893)</u>	<u>\$ 26,710,549</u>	<u>\$ 23,442,476</u>	<u>\$ 3,435,685</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Expenses	Program Revenues			Primary Government			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Haywood County School Department	Haywood County Utility District
Primary Government:									
Governmental Activities:									
General Government	\$ 1,839,891	\$ 119,240	\$ 27,542	\$ 0	\$ (1,693,109)	\$ 0	\$ (1,693,109)	\$ 0	\$ 0
Finance	1,020,030	627,706	0	0	(392,324)	0	(392,324)	0	0
Administration of Justice	1,313,100	528,019	10,305	0	(774,776)	0	(774,776)	0	0
Public Safety	5,159,777	789,990	75,374	0	(4,294,413)	0	(4,294,413)	0	0
Public Health and Welfare	2,628,018	1,755,776	233,891	1,837,837	1,199,486	0	1,199,486	0	0
Social, Cultural, and Recreational Services	917,801	28,688	0	0	(889,113)	0	(889,113)	0	0
Agriculture and Natural Resources	202,414	0	0	0	(202,414)	0	(202,414)	0	0
Highways/Public Works	3,598,403	161,737	2,432,736	956,839	(47,091)	0	(47,091)	0	0
Education	216,128	0	0	0	(216,128)	0	(216,128)	0	0
Interest on Long-term Debt	444,634	0	83,679	0	(360,955)	0	(360,955)	0	0
Total Governmental Activities	\$ 17,340,196	\$ 4,011,156	\$ 2,863,527	\$ 2,794,676	\$ (7,670,837)	\$ 0	\$ (7,670,837)	\$ 0	\$ 0
Business-type Activities:									
Solid Waste Disposal	\$ 793,389	\$ 584,660	\$ 30,545	\$ 0	\$ 0	\$ (178,184)	\$ (178,184)	\$ 0	\$ 0
Total Primary Government	\$ 18,133,585	\$ 4,595,816	\$ 2,894,072	\$ 2,794,676	\$ (7,670,837)	\$ (178,184)	\$ (7,849,021)	\$ 0	\$ 0
Component Units:									
Haywood County School Department	\$ 29,826,025	\$ 61,041	\$ 5,966,403	\$ 1,262,275	\$ 0	\$ 0	\$ 0	\$ (22,536,306)	\$ 0
Haywood County Utility District	340,918	428,075	0	0	0	0	0	0	87,157
Total Component Units	\$ 30,166,943	\$ 489,116	\$ 5,966,403	\$ 1,262,275	\$ 0	\$ 0	\$ 0	\$ (22,536,306)	\$ 87,157

(Continued)

Exhibit B

Haywood County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 6,733,452	\$ 0	\$ 6,733,452	\$ 3,907,739	\$ 0
Property Taxes Levied for Debt Service					928,442	0	928,442	0	0
Local Option Sales Taxes					187,348	0	187,348	1,948,064	0
Hotel/Motel Tax					43,127	0	43,127	0	0
Wheel Tax					41,085	0	41,085	280,749	0
Litigation Taxes					257,617	0	257,617	0	0
Business Tax					975,623	0	975,623	0	0
Wholesale Beer Tax					156,888	0	156,888	0	0
Other Local Taxes					47,485	0	47,485	25,671	0
Grants and Contributions Not Restricted to Specific Programs					1,486,456	21,000	1,507,456	17,175,336	0
Unrestricted Investment Income					243,580	0	243,580	0	3,724
Miscellaneous					48,602	0	48,602	29,788	0
Total General Revenues					\$ 11,149,705	\$ 21,000	\$ 11,170,705	\$ 23,367,347	\$ 3,724
Transfers					\$ (230,000)	\$ 230,000	\$ 0	\$ 0	\$ 0
Change in Net Position					\$ 3,248,868	\$ 72,816	\$ 3,321,684	\$ 831,041	\$ 90,881
Net Position, July 1, 2019					23,993,574	(604,709)	23,388,865	22,611,435	3,344,804
Net Position, June 30, 2020					\$ 27,242,442	\$ (531,893)	\$ 26,710,549	\$ 23,442,476	\$ 3,435,685

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 49,290	\$ 49,290
Equity in Pooled Cash and Investments	5,198,304	4,826,416	1,783,945	568,393	12,377,058
Accounts Receivable	2,141,598	18,262	2,893	63,653	2,226,406
Allowance for Uncollectibles	(1,877,684)	0	0	0	(1,877,684)
Due from Other Governments	467,737	1,000,717	0	3,311	1,471,765
Due from Other Funds	79,340	0	52,000	20,000	151,340
Property Taxes Receivable	7,020,917	528,120	1,019,384	0	8,568,421
Allowance for Uncollectible Property Taxes	(313,774)	(23,602)	(45,558)	0	(382,934)
Total Assets	\$ 12,716,438	\$ 6,349,913	\$ 2,812,664	\$ 704,647	\$ 22,583,662
<u>LIABILITIES</u>					
Accounts Payable	\$ 289,702	\$ 659,429	\$ 27,936	\$ 468	\$ 977,535
Payroll Deductions Payable	105,928	0	0	796	106,724
Cash Overdraft	0	0	0	385	385
Retainage Payable	0	0	0	73,556	73,556
Due to Other Funds	0	0	0	145,501	145,501
Due to State of Tennessee	991	0	0	102	1,093
Other Funds Due State	37,061	0	0	0	37,061
Total Liabilities	\$ 433,682	\$ 659,429	\$ 27,936	\$ 220,808	\$ 1,341,855
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,411,939	\$ 482,312	\$ 930,964	\$ 0	\$ 7,825,215
Deferred Delinquent Property Taxes	265,148	19,944	38,497	0	323,589

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 259,900	\$ 214,184	\$ 0	\$ 0	\$ 474,084
Total Deferred Inflows of Resources	\$ 6,936,987	\$ 716,440	\$ 969,461	\$ 0	\$ 8,622,888
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 113,308	\$ 0	\$ 0	\$ 0	\$ 113,308
Restricted for Finance	1,589	0	0	0	1,589
Restricted for Administration of Justice	318,747	0	0	0	318,747
Restricted for Public Safety	25,325	0	0	28,875	54,200
Restricted for Social, Cultural, and Recreational Services	12,737	0	0	0	12,737
Restricted for Highways/Public Works	0	1,972,368	0	0	1,972,368
Restricted for Capital Projects	0	0	0	39,865	39,865
Restricted for Other Purposes	55,057	0	0	3,003	58,060
Committed:					
Committed for Finance	0	0	0	34,027	34,027
Committed for Public Safety	9,823	0	0	0	9,823
Committed for Public Health and Welfare	23,541	0	0	229,995	253,536
Committed for Highways/Public Works	0	3,001,676	0	0	3,001,676
Committed for Capital Outlay	0	0	0	43,394	43,394
Committed for Debt Service	0	0	1,815,267	0	1,815,267
Committed for Capital Projects	0	0	0	255,888	255,888
Unassigned	4,785,642	0	0	(151,208)	4,634,434
Total Fund Balances	\$ 5,345,769	\$ 4,974,044	\$ 1,815,267	\$ 483,839	\$ 12,618,919
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,716,438	\$ 6,349,913	\$ 2,812,664	\$ 704,647	\$ 22,583,662

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 12,618,919
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,374,111	
Add: construction in progress	1,759,869	
Add: buildings and improvements net of accumulated depreciation	8,621,504	
Add: infrastructure net of accumulated depreciation	9,803,298	
Add: other capital assets net of accumulated depreciation	<u>4,050,416</u>	28,609,198
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: note payable	\$ (157,000)	
Less: capital leases payable	(463,369)	
Less: other loans payable	(3,318,903)	
Less: bonds payable	(12,243,446)	
Add: debt to be contributed by the school department	230,635	
Less: compensated absences payable	(67,708)	
Less: accrued interest payable	(45,742)	
Add: deferred amount on refunding	163,864	
Less: other deferred revenue - premium on debt	<u>(449,903)</u>	(16,351,572)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 788,273	
Less: deferred inflows of resources related to pensions	<u>(594,590)</u>	193,683
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,374,541
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>797,673</u>
Net position of governmental activities (Exhibit A)		<u>\$ 27,242,442</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 7,734,245	\$ 641,583	\$ 1,390,555	\$ 0	\$ 9,766,383
Licenses and Permits	20,885	0	0	0	20,885
Fines, Forfeitures, and Penalties	139,500	0	0	8,122	147,622
Charges for Current Services	1,139,291	0	0	864,433	2,003,724
Other Local Revenues	109,412	166,748	232,520	28,558	537,238
Fees Received From County Officials	862,779	0	0	0	862,779
State of Tennessee	962,197	3,409,142	58,299	54,747	4,484,385
Federal Government	225,416	0	10,985	1,837,837	2,074,238
Other Governments and Citizens Groups	787,728	0	168,772	0	956,500
Total Revenues	\$ 11,981,453	\$ 4,217,473	\$ 1,861,131	\$ 2,793,697	\$ 20,853,754
<u>Expenditures</u>					
Current:					
General Government	\$ 1,471,623	\$ 0	\$ 0	\$ 0	\$ 1,471,623
Finance	778,147	0	0	205,055	983,202
Administration of Justice	1,180,141	0	0	0	1,180,141
Public Safety	4,446,801	0	0	26,790	4,473,591
Public Health and Welfare	2,058,116	0	0	692,422	2,750,538
Social, Cultural, and Recreational Services	842,602	0	0	0	842,602
Agriculture and Natural Resources	193,175	0	0	0	193,175
Other Operations	606,974	0	0	76,838	683,812
Highways	0	4,104,394	0	0	4,104,394
Debt Service:					
Principal on Debt	6,586	0	1,714,547	44,800	1,765,933
Interest on Debt	971	0	407,499	9,928	418,398
Other Debt Service	0	0	136,892	0	136,892

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 1,797,672	\$ 1,797,672
Total Expenditures	\$ 11,585,136	\$ 4,104,394	\$ 2,258,938	\$ 2,853,505	\$ 20,801,973
Excess (Deficiency) of Revenues Over Expenditures	\$ 396,317	\$ 113,079	\$ (397,807)	\$ (59,808)	\$ 51,781
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 5,320,000	\$ 0	\$ 5,320,000
Premiums on Debt Sold	0	0	400,297	0	400,297
Insurance Recovery	4,672	0	0	0	4,672
Transfers Out	0	0	0	(230,000)	(230,000)
Payments to Refunded Debt Escrow Agent	0	0	(5,608,460)	0	(5,608,460)
Total Other Financing Sources (Uses)	\$ 4,672	\$ 0	\$ 111,837	\$ (230,000)	\$ (113,491)
Net Change in Fund Balances	\$ 400,989	\$ 113,079	\$ (285,970)	\$ (289,808)	\$ (61,710)
Fund Balance, July 1, 2019	4,944,780	4,860,965	2,101,237	773,647	12,680,629
Fund Balance, June 30, 2020	\$ 5,345,769	\$ 4,974,044	\$ 1,815,267	\$ 483,839	\$ 12,618,919

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

Exhibit C-4

Haywood 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)		\$ (61,710)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,759,456	
Less: current-year depreciation expense	<u>(2,148,238)</u>	1,611,218
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 797,673	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(804,088)</u>	(6,415)
(3) The issuance of long-term debt (e.g., bonds, notes, capital leases, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: refunding bond proceeds	\$ (5,320,000)	
Add: change in deferred amount on refunding debt	12,843	
Add: principal payments on capital leases	163,340	
Add: principal payments on note	37,000	
Add: principal payments on other loans	388,142	
Add: principal payments on bonds	1,177,451	
Less: contributions from the school department for capital lease	(111,954)	
Add: refunded debt principal	5,575,000	
Less: change in premium on debt issued	<u>(335,632)</u>	1,586,190
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 13,395	
Change in compensated absences payable	(6,210)	
Change in net pension asset - agent plan	271,040	
Change in deferred outflows related to pensions	(163,056)	
Change in deferred inflows related to pensions	<u>4,416</u>	119,585
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,248,868</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,734,245	\$ 8,083,242	\$ 8,083,242	\$ (348,997)
Licenses and Permits	20,885	22,800	22,800	(1,915)
Fines, Forfeitures, and Penalties	139,500	152,750	152,750	(13,250)
Charges for Current Services	1,139,291	1,080,775	1,113,775	25,516
Other Local Revenues	109,412	156,215	158,520	(49,108)
Fees Received From County Officials	862,779	1,206,000	1,006,886	(144,107)
State of Tennessee	962,197	1,108,323	1,126,357	(164,160)
Federal Government	225,416	42,195	122,138	103,278
Other Governments and Citizens Groups	787,728	719,700	719,700	68,028
Total Revenues	\$ 11,981,453	\$ 12,572,000	\$ 12,506,168	\$ (524,715)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 62,986	\$ 68,700	\$ 68,700	\$ 5,714
Beer Board	734	800	1,400	666
County Mayor/Executive	325,630	336,825	339,125	13,495
County Attorney	63,150	49,380	49,380	(13,770)
Election Commission	140,898	162,257	162,257	21,359
Register of Deeds	138,844	137,619	143,482	4,638
Development	70,450	85,375	85,375	14,925
County Buildings	668,931	719,935	719,935	51,004
<u>Finance</u>				
Accounting and Budgeting	5,601	10,500	10,500	4,899
Property Assessor's Office	294,913	331,203	331,203	36,290
Reappraisal Program	13,646	35,310	35,310	21,664
County Trustee's Office	100,672	290,838	91,724	(8,948)
County Clerk's Office	305,758	285,883	295,883	(9,875)
Data Processing	57,557	57,578	57,578	21
<u>Administration of Justice</u>				
Circuit Court	496,690	449,674	509,674	12,984
General Sessions Judge	259,659	262,537	262,713	3,054
General Sessions Court Clerk	3,477	4,000	4,000	523
Chancery Court	199,025	207,185	209,685	10,660
Juvenile Court	123,700	90,081	114,081	(9,619)
Courtroom Security	97,590	60,000	97,741	151
<u>Public Safety</u>				
Sheriff's Department	1,684,738	1,735,173	1,760,173	75,435
Jail	2,008,999	2,213,496	2,213,496	204,497
Workhouse	106,821	132,955	125,355	18,534
Fire Prevention and Control	370,731	382,440	382,440	11,709
Civil Defense	19,710	23,352	31,702	11,992
Rescue Squad	10,000	13,550	5,200	(4,800)
County Coroner/Medical Examiner	5,000	4,800	5,200	200
Other Public Safety	240,802	202,218	202,218	(38,584)
<u>Public Health and Welfare</u>				
Local Health Center	64,273	65,484	65,484	1,211
Rabies and Animal Control	66,594	82,240	82,240	15,646
Ambulance/Emergency Medical Services	1,564,078	1,741,883	1,775,456	211,378

(Continued)

Exhibit C-5

Haywood 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>				
Appropriation to State	\$ 363,171	\$ 147,800	\$ 336,819	\$ (26,352)
<u>Social, Cultural, and Recreational Services</u>				
Libraries	159,740	166,324	166,324	6,584
Parks and Fair Boards	682,862	751,347	751,347	68,485
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	145,602	158,681	158,681	13,079
Soil Conservation	47,573	48,704	48,704	1,131
<u>Other Operations</u>				
Industrial Development	78,064	128,500	128,500	50,436
Veterans' Services	24,340	25,210	25,210	870
Contributions to Other Agencies	43,663	57,180	57,180	13,517
COVID-19 Grant #2	72,137	0	72,137	0
COVID-19 Grant #3	840	0	840	0
Miscellaneous	387,930	419,115	419,115	31,185
<u>Principal on Debt</u>				
General Government	6,586	0	6,629	43
<u>Interest on Debt</u>				
General Government	971	0	971	0
Total Expenditures	<u>\$ 11,585,136</u>	<u>\$ 12,146,132</u>	<u>\$ 12,411,167</u>	<u>\$ 826,031</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 396,317	\$ 425,868	\$ 95,001	\$ 301,316
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,672	\$ 0	\$ 28,000	\$ (23,328)
Total Other Financing Sources	<u>\$ 4,672</u>	<u>\$ 0</u>	<u>\$ 28,000</u>	<u>\$ (23,328)</u>
Net Change in Fund Balance	\$ 400,989	\$ 425,868	\$ 123,001	\$ 277,988
Fund Balance, July 1, 2019	<u>4,944,780</u>	<u>4,148,124</u>	<u>4,148,124</u>	<u>796,656</u>
Fund Balance, June 30, 2020	<u>\$ 5,345,769</u>	<u>\$ 4,573,992</u>	<u>\$ 4,271,125</u>	<u>\$ 1,074,644</u>

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 641,583	\$ 631,409	\$ 633,609	\$ 7,974
Other Local Revenues	166,748	161,570	161,570	5,178
State of Tennessee	3,409,142	2,474,204	3,410,394	(1,252)
Total Revenues	<u>\$ 4,217,473</u>	<u>\$ 3,267,183</u>	<u>\$ 4,205,573</u>	<u>\$ 11,900</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 193,942	\$ 196,543	\$ 217,403	\$ 23,461
Highway and Bridge Maintenance	1,655,478	1,408,148	1,726,400	70,922
Operation and Maintenance of Equipment	512,480	726,692	729,092	216,612
Other Charges	110,239	140,900	140,900	30,661
Employee Benefits	283,148	330,525	330,525	47,377
Capital Outlay	1,349,107	400,000	1,355,295	6,188
Total Expenditures	<u>\$ 4,104,394</u>	<u>\$ 3,202,808</u>	<u>\$ 4,499,615</u>	<u>\$ 395,221</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 113,079</u>	<u>\$ 64,375</u>	<u>\$ (294,042)</u>	<u>\$ 407,121</u>
Net Change in Fund Balance	\$ 113,079	\$ 64,375	\$ (294,042)	\$ 407,121
Fund Balance, July 1, 2019	<u>4,860,965</u>	<u>3,994,569</u>	<u>3,994,569</u>	<u>866,396</u>
Fund Balance, June 30, 2020	<u>\$ 4,974,044</u>	<u>\$ 4,058,944</u>	<u>\$ 3,700,527</u>	<u>\$ 1,273,517</u>

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

Exhibit D-1

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

Major Fund
Business-type
Activities -
Enterprise
Fund

Solid
Waste
Disposal
Fund

ASSETS

Current Assets:		
Current Assets:		
Cash with Trustee	\$	194,646
Accounts Receivable		820,810
Allowance for Uncollectibles		(246,243)
Due from Other Governments		10,483
Due from Other Funds		4,561
Total Current Assets	<u>\$</u>	<u>784,257</u>
 Noncurrent Assets:		
Net Pension Asset	\$	32,359
Capital Assets:		
Assets Not Depreciated:		
Land		235,000
Assets Net of Accumulated Depreciation:		
Buildings and Improvements		48,107
Machinery and Equipment		151,780
Total Noncurrent Assets	<u>\$</u>	<u>467,246</u>
Total Assets	<u>\$</u>	<u>1,251,503</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources:		
Pension Changes in Assumptions	\$	5,244
Pension Contributions After Measurement Date		12,803
Total Deferred Outflows of Resources	<u>\$</u>	<u>18,047</u>

(Continued)

Exhibit D-1

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid</u>
	<u>Waste</u>
	<u>Disposal</u>
	<u>Fund</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 37,201
Payroll Deductions Payable	213
Due to State of Tennessee	27
Capital Leases Payable - Current	17,719
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	40,083
Total Current Liabilities	<u>\$ 95,243</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 1,680,071
Capital Leases Payable - Long-term	12,132
Total Noncurrent Liabilities	<u>\$ 1,692,203</u>
Total Liabilities	<u>\$ 1,787,446</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources:	
Pension Changes in Experience	\$ 6,772
Pension Changes in Investment Earnings	7,225
Total Deferred Inflows of Resources	<u>\$ 13,997</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 405,036
Restricted for Pensions	32,359
Unrestricted	<u>(969,288)</u>
Total Net Position	<u>\$ (531,893)</u>

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

Exhibit D-2

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

	Major Fund
	Business-type
	Activities -
	Enterprise
	Fund
	Solid
	Waste
	Disposal
	Fund
<u>Operating Revenues</u>	
Tipping Fees	\$ 571,403
Sale of Materials and Supplies	10,680
Miscellaneous Refunds	2,577
Total Operating Revenues	<u>\$ 584,660</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 20,385
Equipment Operators	78,521
Part-time Personnel	1,708
Overtime Pay	4,874
Social Security	8,531
Pensions	10,680
Employee and Dependent Insurance	4,369
Life Insurance	733
Unemployment Compensation	846
Other Fringe Benefits	4,673
Communication	2,894
Contracts with Government Agencies	5,223
Contracts with Private Agencies	440,173
Engineering Services	2,000
Evaluation and Testing	2,444
Licenses	6,134
Maintenance and Repair Services - Equipment	346
Maintenance and Repair Services - Office Equipment	629
Printing, Stationery, and Forms	454
Rentals	42,000
Travel	52
Crushed Stone	4,038
Diesel Fuel	8,113
Drugs and Medical Supplies	100

(Continued)

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund (Cont.)

	Major Fund
	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Expenses (Cont.)</u>	
Electricity	\$ 6,639
Equipment and Machinery Parts	26,203
Gasoline	1,106
Lubricants	2,141
Office Supplies	634
Tires and Tubes	1,644
Other Supplies and Materials	3,912
Building and Contents Insurance	926
Liability Insurance	692
Premiums on Corporate Surety Bonds	150
Trustee's Commission	6,155
Workers' Compensation Insurance	7,682
Depreciation	41,692
Landfill Closure/Postclosure Care Costs	29,114
Other Charges	920
Other Construction	12,591
Total Operating Expenses	<u>\$ 792,121</u>
Operating Income (Loss)	<u>\$ (207,461)</u>
<u>Nonoperating Revenues (Expenses)</u>	
State Tire Tax	\$ 25,545
Lease/Rentals	5,000
Contributions	21,000
Interest on Capital Leases	(1,268)
Total Nonoperating Revenues (Expenses)	<u>\$ 50,277</u>
Income(Loss) Before Transfers	\$ (157,184)
Transfers In	<u>230,000</u>
Change in Net Position	\$ 72,816
Net Position, July 1, 2019	<u>(604,709)</u>
Net Position, June 30, 2020	<u><u>\$ (531,893)</u></u>

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

Exhibit D-3

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid</u>
	<u>Waste</u>
	<u>Disposal</u>
	<u>Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 579,737
Receipts from Others	13,257
Payments for Waste Collections and Disposal Activity	(784,415)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (191,421)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Interest on Capital Leases	\$ (1,268)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (1,268)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from State Tire Tax	\$ 25,545
Receipts from Farmland Rental	5,000
Contributions	21,000
Transfers from Other Funds	230,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 281,545</u>
Net Increase (Decrease) in Cash	\$ 88,856
Cash, July 1, 2019	105,790
Cash, June 30, 2020	<u>\$ 194,646</u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (207,461)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	41,692
Change in Assets and Liabilities:	
Decrease in Accounts Receivable	26,883
(Increase) in Allowance for Uncollectibles	(8,065)
(Increase) in Net Pension Asset - Agent Plan	(1,854)
Decrease in Deferred Outflows Related to Pensions	5,984
(Increase) in Due from Other Governments	(10,483)
(Increase) in Due from Other Funds	(4,561)
Increase in Accounts Payable	2,204
(Decrease) in Payroll Deductions Payable	(1,719)
(Decrease) in Due to State of Tennessee	(216)
(Decrease) in Accrued Liability for Landfill Postclosure Care Costs	(9,668)
(Decrease) in Long-term Debt	(21,595)
(Decrease) in Deferred Inflows Related to Pensions	(2,562)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (191,421)</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Equity in Pooled Cash and Investments	<u>\$ 194,646</u>
Cash, June 30, 2020	<u>\$ 194,646</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 570,986
Equity in Pooled Cash and Investments	20,254
Accounts Receivable	12,254
Due from Other Governments	<u>328,868</u>
Total Assets	<u>\$ 932,362</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 1,258
Due to Other Funds	400
Due to State of Tennessee	48
Due to Other Taxing Units	328,868
Due to Litigants, Heirs, and Others	583,240
Due to Joint Ventures	<u>18,548</u>
Total Liabilities	<u>\$ 932,362</u>

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

HAYWOOD COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Haywood 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 Haywood County:

A. Reporting Entity

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

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

The Haywood County School Department operates the public school system in the county, and the voters of Haywood 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 Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its three-member governing body. The district is funded primarily from charges to customers for water services and grants. Before the issuance of most debt instruments, the district must obtain the county commission's approval.

The Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood 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 Haywood County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Haywood 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 Haywood County Utility District and the Haywood County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Haywood County Utility District
25 North Lafayette
Brownsville, TN 38012

Haywood County Emergency Communications District
100 S. Dupree Avenue
Brownsville, TN 38012

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 Haywood 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.

Haywood County issues all debt for the discretely presented Haywood County School Department. Net debt issues totaling \$186,310 were 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 Haywood 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 outflows of resources, liabilities, deferred inflows 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. Haywood County only reports one proprietary fund, a major enterprise fund.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Haywood County considers grants and similar revenues to be

available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Proprietary fund and fiduciary 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.

Haywood 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.

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.

Haywood County reports the following major proprietary fund:

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

Additionally, Haywood County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, amounts collected for a

joint venture emergency management agency, and local sales taxes received by the state to be forwarded to the various cities in Haywood 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 Haywood County School Department reports the following major governmental fund:

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are tipping fees.

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 funds held by the county trustee as Equity in Pooled Cash and Investments.

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Haywood 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. Haywood 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. Haywood County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 2.39 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.

Retainage payable in the primary government's and discretely presented school department's nonmajor governmental funds

represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

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 Haywood 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 Haywood County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Haywood 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 the 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 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the governmental activities of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 10
Infrastructure	8 - 30

Property, plant, and equipment of the Solid Waste Disposal Fund (enterprise fund) are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30
Machinery and Equipment	5 - 30

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. Deferred outflows of resources represent 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 the deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share of contributions, as well as employer contributions made to the pension and OPEB plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) 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 and OPEB changes in experience, pension changes in investment earnings, pension and OPEB changes in proportionate share of contributions, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

The general policy of Haywood County (with the exception of sick and vacation leave for employees of the highway department) does not allow employees to accumulate sick and vacation days beyond year end.

It is the policy of the highway department to permit employees to accumulate earned but unused vacation and sick pay benefits. 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 government. A liability for the vacation benefits is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented school department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). Nonprofessional personnel are allowed to accumulate a limited amount of sick leave. There is no liability for unpaid accumulated sick leave since the school department does not have a policy to pay any amounts when employees separate from service with the school department.

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 are 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, postclosure care costs, and other postemployment benefits, 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 funds 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, Haywood County had \$6,068,538 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Haywood County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

These classifications may consist of the following:

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

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

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

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds and for negative fund balances in the other governmental 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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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 Haywood County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Haywood 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 Haywood 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) Plan

Discretely Presented Haywood 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 Haywood 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 Haywood 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 Haywood 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

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2020, Haywood County School Department had outstanding encumbrances in the General Purpose School Fund of \$41,482.

B. Fund Deficits and Net Position Deficit

The Community Development/Industrial Park and the primary government's Education Capital Projects funds had deficit unassigned fund balances of \$58,958 and \$92,250, respectively, at June 30, 2020. These deficit unassigned fund balances resulted from expenditures exceeding restricted, committed, and assigned balances.

The Solid Waste Disposal Fund had a deficit of \$969,288 in unrestricted net position and a total net position deficit of \$531,893 at June 30, 2020. This deficit primarily resulted from the recognition of a liability totaling \$1,720,154 for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

C. Cash Overdraft

The primary government's Education Capital Projects Fund had a cash overdraft of \$385 at June 30, 2020. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee.

D. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the county commission in the Solid Waste/Sanitation and Drug Control funds by \$12,860 and \$18,790, respectively.

Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the level of control) of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
General Government - County Attorney	\$ 13,770
Finance - County Trustee's Office	8,948
Finance - County Clerk's Office	9,875
Administration of Justice - Juvenile Court	9,619
Public Safety - Rescue Squad	4,800
Public Safety - Other Public Safety	38,584
Public Health and Welfare - Appropriation to State	26,352
General Debt Service:	
Principal on Debt - Education	5,023
Interest on Debt - Education	4,749

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General, Solid Waste/Sanitation, Drug Control and General Debt Service funds.

E. Appropriations Exceeded Estimated Available Funding

The budget and subsequent amendments approved by the county commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$7,891.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Haywood County and the Haywood 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.

Investment Balances. As of June 30, 2020, Haywood County had the following investments carried at amortized cost using a stable net asset value, amortized cost using a floating net asset value, or fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Haywood County and the discretely presented Haywood County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Amortized Cost
State Treasurer's Investment Pool	1 to 105 days	\$ 7,552,847

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Haywood County does not have a formal investment policy that limits 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. State statutes limit the ratings of certain investments as previously explained. Haywood County has no investment policy that would further limit its investment choices. As of June 30, 2020, Haywood County’s investment in the State Treasurer’s Investment Pool was unrated.

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

TCRS Stabilization Trust

Legal Provisions. The Haywood 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 Haywood 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 Haywood 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	\$ 43,075
Developed Market International Equity	N/A	N/A	19,453
Emerging Market International Equity	N/A	N/A	5,558
U.S. Fixed Income	N/A	N/A	27,790
Real Estate	N/A	N/A	13,895
Short-term Securities	N/A	N/A	1,389
NAV - Private Equity and Strategic Lending	N/A	N/A	27,790
 Total			\$ 138,950

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	\$ 43,075	\$ 43,075	\$ 0	\$ 0	0
Developed Market International Equity	19,453	19,453	0	0	0
Emerging Market International Equity	5,558	5,558	0	0	0
U.S. Fixed Income	27,790	0	27,790	0	0
Real Estate	13,895	0	0	13,895	0
Short-term Securities	1,389	0	1,389	0	0
Private Equity and Strategic Lending	27,790	0	0	0	27,790
 Total	\$ 138,950	\$ 68,086	\$ 29,179	\$ 13,895	\$ 27,790

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 Haywood 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 Haywood 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. Haywood 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 Haywood 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 - Governmental Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 4,374,111	\$ 0	\$ 4,374,111
Construction in Progress	0	1,759,869	1,759,869
Total Capital Assets Not Depreciated	<u>\$ 4,374,111</u>	<u>\$ 1,759,869</u>	<u>\$ 6,133,980</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 19,453,235	\$ 0	\$ 19,453,235
Infrastructure	57,166,641	1,277,586	58,444,227
Other Capital Assets	13,122,392	722,001	13,844,393
Total Capital Assets Depreciated	<u>\$ 89,742,268</u>	<u>\$ 1,999,587</u>	<u>\$ 91,741,855</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 10,239,952	\$ 591,779	\$ 10,831,731
Infrastructure	47,849,068	791,861	48,640,929
Other Capital Assets	9,029,379	764,598	9,793,977
Total Accumulated Depreciation	<u>\$ 67,118,399</u>	<u>\$ 2,148,238</u>	<u>\$ 69,266,637</u>
Total Capital Assets Depreciated, Net	<u>\$ 22,623,869</u>	<u>\$ (148,651)</u>	<u>\$ 22,475,218</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,997,980</u>	<u>\$ 1,611,218</u>	<u>\$ 28,609,198</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 primary government as follows:

Governmental Activities:

General Government	\$ 171,987
Finance	28,016
Administration of Justice	56,009
Public Safety	560,027
Public Health and Welfare	223,020
Social, Cultural, and Recreational Services	49,454
Highway Department	<u>1,059,725</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,148,238</u>

Primary Government - Business-type Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets			
Not Depreciated:			
Land	\$ 235,000	\$ 0	\$ 235,000
Total Capital Assets Not Depreciated	<u>\$ 235,000</u>	<u>\$ 0</u>	<u>\$ 235,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 215,300	\$ 0	\$ 215,300
Other Capital Assets	819,172	0	819,172
Total Capital Assets Depreciated	<u>\$ 1,034,472</u>	<u>\$ 0</u>	<u>\$ 1,034,472</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 160,008	\$ 7,185	\$ 167,193
Other Capital Assets	632,885	34,507	667,392
Total Accumulated Depreciation	<u>\$ 792,893</u>	<u>\$ 41,692</u>	<u>\$ 834,585</u>
Total Capital Assets Depreciated, Net	<u>\$ 241,579</u>	<u>\$ (41,692)</u>	<u>\$ 199,887</u>
Business-type Activities Capital Assets, Net	<u>\$ 476,579</u>	<u>\$ (41,692)</u>	<u>\$ 434,887</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 primary government as follows:

Business-type Activities:

Public Health and Welfare	<u>\$ 41,692</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$ 41,692</u></u>

**Discretely Presented Haywood County School Department -
Governmental Activities:**

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 143,868	\$ 270,400	\$ 414,268
Total Capital Assets Not Depreciated	<u>\$ 143,868</u>	<u>\$ 270,400</u>	<u>\$ 414,268</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 32,921,642	\$ 946,133	\$ 33,867,775
Other Capital Assets	7,547,315	441,404	7,988,719
Total Capital Assets Depreciated	<u>\$ 40,468,957</u>	<u>\$ 1,387,537</u>	<u>\$ 41,856,494</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 17,612,188	\$ 998,333	\$ 18,610,521
Other Capital Assets	6,043,799	280,746	6,324,545
Total Accumulated Depreciation	<u>\$ 23,655,987</u>	<u>\$ 1,279,079</u>	<u>\$ 24,935,066</u>
Total Capital Assets Depreciated, Net	<u>\$ 16,812,970</u>	<u>\$ 108,458</u>	<u>\$ 16,921,428</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 16,956,838</u></u>	<u><u>\$ 378,858</u></u>	<u><u>\$ 17,335,696</u></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 discretely presented Haywood County School Department as follows:

Governmental Activities:

Instruction	\$ 525,537
Support Services	730,246
Operation of Non-instructional Services	<u>23,296</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,279,079</u></u>

C. Construction Commitments

At June 30, 2020, the General Capital Projects Fund had uncompleted construction contracts of \$255,325 for a fire station. Funding for these future expenditures is expected to be received from federal grants.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 68,940
"	Agency - Joint Venture	10,000
General Debt Service	Nonmajor governmental	52,000
Nonmajor Governmental	"	20,000
Solid Waste Disposal	"	4,561

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 General Fund totaling \$10,000 was in transit from the Joint Venture Fund at June 30, 2020.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government: Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 230,635

The amount reflected in governmental activities as Due to the Primary Government from the discretely presented school department is the balance of a capital lease issued by the county for the school department as discussed in Notes IV.E. and IV.F. The school department has agreed to contribute the funds necessary to retire the debt.

Interfund Transfers:

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

Primary Government

Transfer Out	<u>Transfer In</u> Solid Waste Disposal Fund	Purpose
Nonmajor Governmental Fund	\$ 230,000	Operations

Discretely Presented Haywood County School Department

Transfer Out	<u>Transfer In</u> General Purpose School Fund	Purpose
Nonmajor Governmental Fund	\$ 32,524	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.

E. Capital Leases

Governmental Activities

On October 3, 2016, Haywood County entered into a five-year lease-purchase agreement for a tractor. The terms of the agreement require total lease payments of \$32,999 plus interest of 4.69 percent. Title to the

equipment transfers to Haywood County at the end of the lease period. The General Fund is making the lease payments.

On July 31, 2017, Haywood County entered into a three-year lease-purchase agreement for a garbage truck. The terms of the agreement require total lease payments of \$51,800 plus 2.95 percent interest. Title to the equipment transfers to Haywood County at the end of the lease period. Payments are made from the Solid Waste/Sanitation Fund.

On July 15, 2018, Haywood County entered into a three-year lease-purchase agreement for Apple computers. The terms of the agreement require total lease payments of \$460,581 plus 1.99 percent interest. Ownership of the equipment transfers to Haywood County at the end of the lease period. Payments are made from the General Debt Service Fund by contributions from the General Purpose School Fund.

On May 19, 2019, Haywood County entered into a five-year lease-purchase agreement for a garbage truck. The terms of the agreement require total lease payments of \$246,390 plus 4.14 percent interest. Title to the equipment transfers to Haywood County at the end of the lease period. Payments are made from the Solid Waste/Sanitation Fund.

Business-type Activities

On February 18, 2016, Haywood County entered into a six-year lease-purchase agreement for a bulldozer. The terms of the agreement require total lease payments of \$100,413 plus interest of 3.2 percent. Title to the equipment transfers to Haywood County at the end of the lease period. The Solid Waste Disposal Fund is making the lease payments.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Business- type Activities
Other Capital Assets	\$ 791,770	\$ 100,413
Less: Accumulated Depreciation	(85,406)	(61,021)
Total Book Value	\$ 706,364	\$ 39,392

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

Year Ending June 30	Governmental Activities	Business- type Activities
2021	\$ 164,498	\$ 18,416
2022	162,993	12,278
2023	36,665	0
2024	133,609	0
Total Minimum Lease Payments	<u>\$ 497,765</u>	<u>\$ 30,694</u>
Less: Amount Representing Interest	<u>(34,396)</u>	<u>(843)</u>
Present Value of Minimum Lease Payments	<u>\$ 463,369</u>	<u>\$ 29,851</u>

F. Long-term Debt

Primary Government

General Obligation Bonds, Note, and Other Loans

General Obligation Bonds - Haywood 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 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Haywood 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 seven years for the note and up to 16 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. The note 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, the capital outlay note, other loans, and capital leases 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 to 4.5%	3-1-38	\$ 2,030,000	\$ 1,829,446
General Obligation Bonds - Refunding	2 to 5	6-1-32	13,741,134	10,414,000
Direct Borrowing and Direct Placement:				
Note Payable	2.5	6-1-24	245,000	157,000
Other Loans Payable	0 to 1	3-1-34	5,019,439	3,318,903
Capital Leases	1.99 to 4.69	6-28-24	791,770	463,369

During the 2011-12 year, Haywood County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient School Initiative program. Under this agreement, the program made \$2,000,000 available for loan to Haywood County to increase energy efficiency in the Haywood County school system. This is an interest-free loan.

During the 2018-19 year, Haywood County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient School Initiative program. Under this agreement, the program loaned Haywood County \$3,019,439 to fund a project to increase energy efficiency in the Haywood County school system. This loan has an interest rate of one percent.

The annual requirements to amortize all general obligation bonds, the note, 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	\$ 1,197,461	\$ 361,952	\$ 1,559,413
2022	1,022,517	335,979	1,358,496
2023	1,063,620	300,589	1,364,209
2024	1,107,848	263,851	1,371,699
2025	1,131,000	225,201	1,356,201
2026-2030	4,701,000	606,739	5,307,739
2031-2035	1,645,000	164,594	1,809,594
2036-2038	375,000	25,650	400,650
Total	\$ 12,243,446	\$ 2,284,555	\$ 14,528,001

Year Ending June 30	Note - Direct Placement		
	Principal	Interest	Total
2021	\$ 38,000	\$ 3,925	\$ 41,925
2022	39,000	2,975	41,975
2023	40,000	2,000	42,000
2024	40,000	1,000	41,000
Total	\$ 157,000	\$ 9,900	\$ 166,900

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2021	\$ 390,039	\$ 26,817	\$ 416,856
2022	391,948	24,908	416,856
2023	343,829	22,986	366,815
2024	195,812	21,040	216,852
2025	197,782	19,070	216,852
2026-2030	1,019,136	65,124	1,084,260
2031-2034	780,357	14,799	795,156
Total	\$ 3,318,903	\$ 194,744	\$ 3,513,647

There is \$1,815,267 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$652, based on the 2010 federal census. Total debt per capita, including bonds, the note, other loans, capital leases, and unamortized debt premiums, totaled \$885, 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. The capital lease debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Description of Debt	Outstanding 6-30-20
<u>Other Loans - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient School Initiative	\$ 549,971
Energy Efficient School Initiative	2,768,932
<u>Capital Leases - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Apple Computers	<u>230,635</u>
Total	<u>\$ 3,549,538</u>

Changes in Long-term Debt

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

Governmental Activities:	Bonds	Note - Direct Placement	Other Loans Direct Placement
Balance, July 1, 2019	\$ 13,675,897	\$ 194,000	\$ 3,707,045
Additions	5,320,000	0	0
Reductions	<u>(6,752,451)</u>	<u>(37,000)</u>	<u>(388,142)</u>
Balance, June 30, 2020	<u>\$ 12,243,446</u>	<u>\$ 157,000</u>	<u>\$ 3,318,903</u>
Balance Due Within One Year	<u>\$ 1,197,461</u>	<u>\$ 38,000</u>	<u>\$ 390,039</u>
			<u>Capital Leases - Direct Placement</u>
Balance, July 1, 2019			\$ 626,709
Reductions			<u>(163,340)</u>
Balance, June 30, 2020			<u>\$ 463,369</u>
Balance Due Within One Year			<u>\$ 150,785</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 16,182,718
Less: Balance Due Within One Year - Debt	(1,776,285)
Add: Unamortized Premium on Debt	449,903
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 14,856,336</u>

Current Refunding

On July 12, 2019, Haywood County refunded a general obligation bond issue with a separate general obligation bond issue. The county issued \$5,320,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. Because of the refunding, total debt service payments over the next 12 years will be reduced by \$535,021, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$474,440 was obtained.

Haywood County Solid Waste Disposal Fund (enterprise fund)

Capital Lease

The capital lease outstanding as of June 30, 2020, for business-type activities is as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-20</u>
Direct Borrowing and Direct Placements:				
Capital Lease	3.2%	2-18-22	\$ 100,413	\$ 29,851

Changes in Long-term Debt

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

Business-type Activities:	Capital Lease - Direct <u>Placement</u>
Balance, July 1, 2019	\$ 51,446
Reductions	<u>(21,595)</u>
Balance, June 30, 2020	<u>\$ 29,851</u>
Balance Due Within One Year	<u>\$ 17,719</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 29,851
Less: Balance Due Within One Year - Debt	<u>(17,719)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 12,132</u>

G. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:	<u>Compensated Absences</u>
Balance, July 1, 2019	\$ 61,498
Additions	29,954
Reductions	<u>(23,744)</u>
Balance, June 30, 2020	<u>\$ 67,708</u>
Balance Due Within One Year	<u>\$ 27,800</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 67,708
Less: Balance Due Within One Year - Other	<u>(27,800)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 39,908</u>

Compensated absences will be paid from the employing fund, the Highway/Public Works Fund.

Solid Waste Disposal (Enterprise) Fund

Changes in Long-term Obligations

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

Business-type Activities:	<u>Postclosure Care Costs</u>
Balance, July 1, 2019	\$ 1,729,822
Additions	30,415
Reductions	<u>(40,083)</u>
Balance, June 30, 2020	<u>\$ 1,720,154</u>
Balance Due Within One Year	<u>\$ 40,083</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 1,720,154
Less: Balance Due Within One Year - Other	<u>(40,083)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,680,071</u>

Discretely Presented Haywood County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Net OPEB Liability</u>
Balance, July 1, 2019	\$ 1,450,843
Additions	510,353
Reductions	<u>(237,524)</u>
Balance, June 30, 2020	<u>\$ 1,723,672</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 1,723,672
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,723,672</u>

The net OPEB liability will be paid from the employing funds, primarily the General Purpose School Fund.

H. On-Behalf Payments - Discretely Presented Haywood County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood County School Department. These payments are made by the state to the Local Education Group Insurance. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2020, were \$42,283. 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

Employee Health Insurance

It is the policy of the county to purchase commercial insurance for its employees' health coverage. Retirees are not allowed to continue coverage.

Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Workers' Compensation Insurance

Haywood County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

Haywood County is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Discretely Presented Haywood County School Department

Employee Health Insurance

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Contingent Liabilities

The county and school department are involved in several pending lawsuits. Management advised that any potential claims not covered by insurance resulting from such litigation should not materially affect the county or school department's financial statements.

C. Landfill Closure/Postclosure Care Costs

Haywood County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition 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 sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,720,154, reported as postclosure care liability at June 30, 2020, represents amounts based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

D. Joint Ventures

The Brownsville - Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2020, the county provided financial assistance of \$19,710 to the agency.

The Brownsville - Haywood County Rescue Squad is a joint venture between Haywood County and the City of Brownsville. The agency's six-member board includes the county mayor, the mayor of the City of Brownsville, and four other members. The purpose of the rescue squad is to provide assistance in search and rescue, drowning, flooding, evacuations, and road clearing from storms. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the private contributions. During the year ended June 30, 2020, the county contributed \$10,000 to the rescue squad.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County contributed \$50,000 to HTL Advantage during the year.

The Elma Ross Public Library is a joint venture between Haywood County and the City of Brownsville. It is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Haywood County Commission. The remaining three members are appointed by the City of Brownsville. Haywood County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Haywood County contributed \$76,821 to the operations of the library during the year ended June 30, 2020.

Haywood County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Brownsville - Haywood County Emergency Management Agency, Brownsville - Haywood County Rescue Squad, HTL Advantage, and the Elma Ross Public Library can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Brownsville – Haywood County
Emergency Management Agency
City Hall
Brownsville, TN 38012

Brownsville – Haywood County
Rescue Squad
P.O. Box 668
111 N. Washington
Brownsville, TN 38012

HTL Advantage
1469 South Main Street
Covington, TN 38019

Elma Ross Public Library
1011 East Main Street
Brownsville, TN 38012

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Haywood County and non-certified employees of the discretely presented Haywood 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 comprised 58.46 percent and the non-certified employees of the discretely presented school department comprised 41.54 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the

CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	249
Inactive Employees Entitled to But Not Yet Receiving Benefits	312
Active Employees	331
Total	892

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Haywood 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 Haywood County was \$997,174 based on a rate of ten percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Haywood 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)

Haywood 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 historical 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 weighting 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 Haywood 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	\$ 41,504,110	\$ 43,466,737	\$ (1,962,627)
Changes for the Year:			
Service Cost	\$ 763,547	\$ 0	\$ 763,547
Interest	2,997,074	0	2,997,074
Differences Between Expected and Actual Experience	(82,642)	0	(82,642)
Contributions-Employer	0	947,703	(947,703)
Net Investment Income	0	3,201,630	(3,201,630)
Benefit Payments, Including Refunds of Employee Contributions	(1,857,405)	(1,857,405)	0
Administrative Expense	0	(27,379)	27,379
Net Changes	\$ 1,820,574	\$ 2,264,549	\$ (443,975)
Balance, June 30, 2019	\$ 43,324,684	\$ 45,731,286	\$ (2,406,602)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.46%	\$ 25,327,610	\$ 26,734,510	\$ (1,406,900)
School Department	41.54%	17,997,074	18,996,776	(999,702)
Total		\$ 43,324,684	\$ 45,731,286	\$ (2,406,602)

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

	1% Decrease	Current Discount Rate	1% Increase
Haywood County	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 2,965,788 \$ (2,406,602) \$ (6,907,405)

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

Pension Expense. For the year ended June 30, 2020, Haywood County recognized pension expense of \$800,761.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Haywood 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	\$ 0	\$ 503,654
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	537,378
Changes in Assumptions	390,045	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	997,174	N/A
Total	\$ 1,387,219	\$ 1,041,032

- (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	\$ 806,320	\$ 608,587
School Department	580,899	432,445
Total	<u>\$ 1,387,219</u>	<u>\$ 1,041,032</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	\$ (239,809)
2022	(247,008)
2023	(130,782)
2024	(33,388)
2025	0
Thereafter	0

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

Discretely Presented Haywood County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Haywood County and non-certified employees of the discretely presented Haywood 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 comprised 58.46 percent and the non-certified employees of the discretely presented school department comprised 41.54 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Haywood 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 <https://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 \$75,064, which is 2.03 percent of covered payroll. In addition, employer contributions of \$70,148, which is 1.89 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 (\$164,528) 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 .291465 percent. The proportion as of June 30, 2018, was .255153 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$51,121.

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	\$ 6,822	\$ 28,722
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,956
Changes in Assumptions	5,717	0
Changes in Proportion of Net Pension Liability (Asset)	7,988	15,315
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	75,064	N/A
Total	<u>\$ 95,591</u>	<u>\$ 50,993</u>

The school department's employer contributions of \$75,064, 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	\$ (4,001)
2022	(5,065)
2023	(3,114)
2024	(2,119)
2025	(1,836)
Thereafter	(14,331)

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 52,129 \$ (164,528) \$ (324,677)

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 Haywood 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 <https://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 Haywood County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$989,913, 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 (\$3,028,057) 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 .294507 percent. The proportion measured at June 30, 2018, was .31247 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$373,933.

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	\$ 147,428	\$ 1,849,598
Changes in Assumptions	408,046	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	865,174
Changes in Proportion of Net Pension Liability (Asset)	11,644	52,723
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	989,913	N/A
Total	<u>\$ 1,557,031</u>	<u>\$ 2,767,495</u>

The school department's employer contributions of \$989,913 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	\$ (648,018)
2022	(886,062)
2023	(381,930)
2024	(284,367)
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 historical 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 6,191,502 \$ (3,028,057) \$ (10,361,961)

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 \$168,726 and teachers contributed \$35,742 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

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

The school department's total OPEB liability for 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	2.2%
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 below

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

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 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.

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

Plan Description. Employees of the Haywood 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 Haywood 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 Section 8-27-301, *TCA*, 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 Haywood County School Department does not provide a direct subsidy and is only subject to the implicit rate. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	14
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	303
 Total	 <u><u>317</u></u>

A state insurance committee, created in accordance with Section 8-27-301, TCA, 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 Haywood County School Department paid \$74,756 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Haywood School Department 65.7327%	State of TN 34.2673%	Total OPEB Liability
Balance July 1, 2018	\$ 1,450,843	\$ 775,524	\$ 2,226,367
Changes for the Year:			
Service Cost	\$ 96,460	\$ 50,286	\$ 146,746
Interest	54,703	28,518	83,221
Difference between Expected and Actuarial Experience	346,582	180,678	527,260
Changes in Proportion	12,608	(12,608)	0
Changes in Assumption and Other Inputs	(139,113)	(72,522)	(211,635)
Benefit Payments	(98,411)	(51,303)	(149,714)
Net Changes	<u>\$ 272,829</u>	<u>\$ 123,049</u>	<u>\$ 395,878</u>
Balance June 30, 2019	<u>\$ 1,723,672</u>	<u>\$ 898,573</u>	<u>\$ 2,622,245</u>

The Haywood 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 Haywood County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$51,727 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Haywood County School Department's proportionate share of the collective OPEB liability was 65.7327 percent and the State of Tennessee's share was 34.2673 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 \$153,529, 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	\$ 309,790	\$ 590,595
Changes of Assumptions/Inputs	44,104	191,459
Changes in Proportion	17,424	10,314
Benefits Paid After the Measurement Date of June 30, 2019	74,756	0
Total	<u>\$ 446,074</u>	<u>\$ 792,368</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	\$ (49,361)
2022	(49,361)
2023	(49,361)
2024	(49,361)
2025	(49,361)
Thereafter	(174,245)

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	\$ 1,863,287	\$ 1,723,672	\$ 1,591,763
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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	\$ 1,520,173	\$ 1,723,672	\$ 1,965,343
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G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Chief Administrative Highway Officer

Purchasing procedures for the highway department are governed by provisions of Chapter 24, Private Acts of 1991, as amended and Section 54-7-113, *TCA* (Uniform Road Law), which requires all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented school department are governed by purchasing laws applicable to 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 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.

VI. OTHER NOTES – DISCRETELY PRESENTED HAYWOOD COUNTY UTILITY DISTRICT

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Haywood County Utility District was incorporated pursuant to a resolution of the Haywood County Commission dated July 17, 1997, and pursuant to Section 7-82-101, *Tennessee Code Annotated*, also known as “The Utility District Law of 1937.” The district is considered a component unit of Haywood County, Tennessee, because the three-member board is appointed by the county. The district was constructed with grants received through the county and is held accountable to the county.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district’s financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the district conform to applicable accounting principles generally accepted in the United States of America for governmental units as defined by the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the

proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges for sales to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. Assets, Liabilities, and Equity

a. Deposits and Investments

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the district to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool.

b. Accounts Receivable

Trade receivables result from unpaid billings for water service to customers. The billings and collections for the district are prepared and collected by Brownsville Energy Authority. Brownsville Energy Authority remits to the district the entire amount of the billings on a monthly basis. Therefore, an allowance for uncollectible accounts receivable is considered unnecessary at this time as the risk of loss is entirely with Brownsville Energy Authority.

c. Capital Assets

Capital assets, which include property, plant, equipment, and construction in process, are defined by the district as assets with an initial, individual cost of more than \$100 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market 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. Interest incurred

during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the district are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Distribution Plant	33-50

d. Compensated Absences

The district does not have any employees on staff. The district pays a set monthly fee to Brownsville Energy Authority for the use of their employees. Therefore, no compensated absences are recorded.

e. Net Position

Equity is classified as net position and displayed in the following two components:

- 1.) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- 2.) Unrestricted – All other net position that does not meet the description of the above category.

f. Net Position Flow Assumption

Sometimes the district will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted net position to have been depleted before unrestricted net position is applied

B. Stewardship, Compliance, and Accountability

Budgetary Information

The district does not adopt a formal budget.

C. Detailed Notes

1. Deposits and Investments

Custodial Credit Risk – The district’s policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statute requires that all deposits with financial institutions be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district’s agent in the district’s name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificated of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2020, the district had no risk exposure.

2. Receivables

Receivables as of June 30, 2020, consisted of the following:

	<u>Balance</u> <u>6-30-20</u>
Billed Services for Utility Customers	\$43,552

3. Capital Assets

Capital assets activity during the year was as follows:

Description	Balance 7-1-19	Additions	Balance 6-30-20
Capital Assets, Not Depreciated	\$ 18,401	\$ 0	\$ 18,401
Capital Assets, Depreciated	\$ 5,220,215	\$ 0	\$ 5,220,215
Less Accumulated Depreciation	\$ 2,370,403	\$ 122,028	\$ 2,492,431
Total Capital Assets, Depreciated, Net	\$ 2,849,812	\$ (122,028)	\$ 2,727,784
Total Capital Assets, Net	\$ 2,868,213	\$ (122,028)	\$ 2,746,185

4. Net Position

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources (if present). The net position amounts were as follows:

	Balance 6-30-20
Net Investment in Capital Assets:	
Net Property, Plant and Equipment in Services	\$ 2,746,185
Unrestricted	689,500
Total Net Position	\$ 3,435,685

D. Other Information

1. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2020, the district did not purchase any insurance. The district contracts with Brownsville Energy Authority for services necessary to operate and maintain the district. No settled claims have been incurred in any of the above-mentioned risk categories during the past three years, and there has been no significant reduction in the coverage provided.

2. Credit Risk

The district provided water services for residents and commercial customers in a portion of Haywood County, Tennessee.

3. Subsequent Event

The full impact of the COVID-19 outbreak continues to evolve as of November 20, 2020. As such, it is uncertain as to the full magnitude that the pandemic will have on the district's financial condition and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the district is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021. Management has evaluated subsequent events through November 20, 2020, the date in which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Haywood 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	\$ 737,120	\$ 773,505	\$ 763,961	\$ 748,793	\$ 806,172	\$ 763,547
Interest	2,403,909	2,526,922	2,728,270	2,755,676	2,866,816	2,997,074
Differences Between Actual and Expected Experience	(400,316)	631,682	(1,712,912)	(145,032)	(61,570)	(82,642)
Changes in Assumptions	0	0	0	975,111	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,098,340)	(1,175,533)	(1,300,318)	(1,497,132)	(1,686,850)	(1,857,405)
Net Change in Total Pension Liability	\$ 1,642,373	\$ 2,756,576	\$ 479,001	\$ 2,837,416	\$ 1,924,568	\$ 1,820,574
Total Pension Liability, Beginning	31,864,176	33,506,549	36,263,125	36,742,126	39,579,542	41,504,110
Total Pension Liability, Ending (a)	\$ 33,506,549	\$ 36,263,125	\$ 36,742,126	\$ 39,579,542	\$ 41,504,110	\$ 43,324,684
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,106,526	\$ 1,148,081	\$ 1,148,661	\$ 1,290,623	\$ 936,291	\$ 947,703
Contributions - Employee	365	4,712	266	(266)	0	0
Net Investment Income	4,990,442	1,081,152	956,934	4,173,475	3,361,364	3,201,630
Benefit Payments, Including Refunds of Employee Contributions	(1,098,340)	(1,175,533)	(1,300,318)	(1,497,132)	(1,686,850)	(1,857,405)
Administrative Expense	(14,541)	(17,390)	(21,797)	(29,328)	(29,660)	(27,379)
Net Change in Plan Fiduciary Net Position	\$ 4,984,452	\$ 1,041,022	\$ 783,746	\$ 3,937,372	\$ 2,581,145	\$ 2,264,549
Plan Fiduciary Net Position, Beginning	30,139,000	35,123,452	36,164,474	36,948,220	40,885,592	43,466,737
Plan Fiduciary Net Position, Ending (b)	\$ 35,123,452	\$ 36,164,474	\$ 36,948,220	\$ 40,885,592	\$ 43,466,737	\$ 45,731,286
Net Pension Liability (Asset), Ending (a - b)	\$ (1,616,903)	\$ 98,651	\$ (206,094)	\$ (1,306,050)	\$ (1,962,627)	\$ (2,406,602)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.83%	99.73%	100.56%	103.30%	104.73%	105.55%
Covered Payroll	\$ 9,228,853	\$ 9,363,104	\$ 9,369,174	\$ 10,316,731	\$ 9,362,903	\$ 9,477,028
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(17.52)%	1.05%	(2.2)%	(12.66)%	(20.96)%	(25.39)%

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

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,106,526	\$ 1,148,081	\$ 1,148,661	\$ 1,264,831	\$ 907,265	\$ 918,324	\$ 978,228
Less Contributions in Relation to the Actuarially Determined Contribution	(1,106,526)	(1,148,081)	(1,148,661)	(1,290,623)	(936,291)	(947,703)	(997,174)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (25,792)	\$ (29,026)	\$ (29,379)	\$ (18,946)
Covered Payroll	\$ 9,228,853	\$ 9,363,104	\$ 9,369,174	\$ 10,316,731	\$ 9,362,903	\$ 9,477,028	\$ 9,971,740
Contributions as a Percentage of Covered Payroll	11.99%	12.26%	12.26%	12.51%	10.00%	10.00%	10.00%

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

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 33,533	\$ 50,543	\$ 72,550	\$ 36,361	\$ 59,385	\$ 75,064
Less Contributions in Relation to the Contractually Required Contribution	(33,533)	(50,543)	(72,550)	(89,189)	(59,385)	(75,064)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (52,828)	\$ 0	\$ 0
Covered Payroll	\$ 838,318	\$ 1,263,579	\$ 1,813,746	\$ 2,229,736	\$ 3,084,287	\$ 3,703,320
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 1,152,098	\$ 1,118,964	\$ 1,060,737	\$ 1,006,734	\$ 993,504	\$ 1,032,949	\$ 989,913
Less Contributions in Relation to the Contractually Required Contribution	(1,152,098)	(1,118,964)	(1,060,737)	(1,006,734)	(993,504)	(1,032,949)	(989,913)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 12,974,081	\$ 12,377,932	\$ 11,733,832	\$ 11,136,453	\$ 10,941,670	\$ 9,875,217	\$ 9,312,429
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

Exhibit F-5

Haywood County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Haywood 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)	0.395149%	0.287174%	0.276343%	0.255153%	0.291465%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (16,232)	\$ (29,896)	\$ (72,909)	\$ (115,719)	\$ (164,528)
Covered Payroll	\$ 838,318	\$ 1,263,579	\$ 1,813,746	\$ 2,229,736	\$ 3,084,287
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02)%	(5.19)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit F-6

Haywood County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Haywood 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)	0.330551%	0.330651%	0.325054%	0.315038%	0.312470%	0.294507%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (53,713)	\$ 135,446	\$ 2,031,410	\$ (103,077)	\$ (1,099,555)	\$ (3,028,057)
Covered Payroll	\$ 12,974,081	\$ 12,377,932	\$ 11,733,832	\$ 11,136,453	\$ 10,941,670	\$ 9,875,217
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit F-7

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 198,875	\$ 183,494	\$ 146,746
Interest	96,190	115,175	83,221
Differences Between Actual and Expected Experience	0	(1,105,028)	527,260
Changes in Assumptions or Other Inputs	(145,244)	82,520	(211,635)
Benefit Payments	(183,623)	(203,104)	(149,714)
Net Change in Total OPEB Liability	\$ (33,802)	\$ (926,943)	\$ 395,878
Total OPEB Liability, Beginning	3,187,112	3,153,310	2,226,367
Total OPEB Liability, Ending	\$ 3,153,310	\$ 2,226,367	\$ 2,622,245
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,085,593	\$ 775,524	\$ 898,573
Employer Proportionate Share of the Total OPEB Liability	2,067,717	1,450,843	1,723,672
Covered Employee Payroll	\$ 14,991,190	\$ 13,883,955	\$ 13,495,071
Net OPEB Liability as a Percentage of Covered Employee Payroll	13.79%	10.45%	12.77%

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:

For the 2019 plan year - from 5.4% to 6.75%
 For the 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.

HAYWOOD 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 Adjustments	2.25%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified 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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Haywood County’s garbage collection operations.

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.

Nonmajor Governmental Funds (cont.)

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues received from public works grants provided for community development projects.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for revenues received from grants provided for housing projects.

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for revenues provided for an industrial park project.

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>ASSETS</u>						
Cash	\$ 1,000	\$ 0	\$ 48,290	\$ 49,290	\$ 0	\$ 0
Equity in Pooled Cash and Investments	167,958	28,875	0	196,833	309,444	15,719
Accounts Receivable	63,653	0	0	63,653	0	0
Due from Other Governments	3,311	0	0	3,311	0	0
Due from Other Funds	0	0	0	0	20,000	0
Total Assets	<u>\$ 235,922</u>	<u>\$ 28,875</u>	<u>\$ 48,290</u>	<u>\$ 313,087</u>	<u>\$ 329,444</u>	<u>\$ 15,719</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 468	\$ 0	\$ 0	\$ 468	\$ 0	\$ 0
Payroll Deductions Payable	796	0	0	796	0	0
Cash Overdraft	0	0	0	0	0	0
Retainage Payable	0	0	0	0	73,556	0
Due to Other Funds	4,561	0	14,263	18,824	0	74,677
Due to State of Tennessee	102	0	0	102	0	0
Total Liabilities	<u>\$ 5,927</u>	<u>\$ 0</u>	<u>\$ 14,263</u>	<u>\$ 20,190</u>	<u>\$ 73,556</u>	<u>\$ 74,677</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 28,875	\$ 0	\$ 28,875	\$ 0	\$ 0
Restricted for Capital Projects	0	0	0	0	0	0
Restricted for Other Purposes	0	0	0	0	0	0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>FUND BALANCES (Cont.)</u>						
Committed:						
Committed for Finance	\$ 0	\$ 0	\$ 34,027	\$ 34,027	\$ 0	\$ 0
Committed for Public Health and Welfare	229,995	0	0	229,995	0	0
Committed for Capital Outlay	0	0	0	0	0	0
Committed for Capital Projects	0	0	0	0	255,888	0
Unassigned	0	0	0	0	0	(58,958)
Total Fund Balances	<u>\$ 229,995</u>	<u>\$ 28,875</u>	<u>\$ 34,027</u>	<u>\$ 292,897</u>	<u>\$ 255,888</u>	<u>\$ (58,958)</u>
Total Liabilities and Fund Balances	<u>\$ 235,922</u>	<u>\$ 28,875</u>	<u>\$ 48,290</u>	<u>\$ 313,087</u>	<u>\$ 329,444</u>	<u>\$ 15,719</u>

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>				Total
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	49,290
Equity in Pooled Cash and Investments	3,003	0	43,394	371,560	568,393
Accounts Receivable	0	0	0	0	63,653
Due from Other Governments	0	0	0	0	3,311
Due from Other Funds	0	0	0	20,000	20,000
Total Assets	\$ 3,003	\$ 0	\$ 43,394	\$ 391,560	\$ 704,647
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	468
Payroll Deductions Payable	0	0	0	0	796
Cash Overdraft	0	385	0	385	385
Retainage Payable	0	0	0	73,556	73,556
Due to Other Funds	0	52,000	0	126,677	145,501
Due to State of Tennessee	0	0	0	0	102
Total Liabilities	\$ 0	\$ 52,385	\$ 0	\$ 200,618	\$ 220,808
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	28,875
Restricted for Capital Projects	0	39,865	0	39,865	39,865
Restricted for Other Purposes	3,003	0	0	3,003	3,003

(Continued)

Exhibit G-1

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

FUND BALANCES (Cont.)

Committed:

	<u>Capital Projects Funds (Cont.)</u>				Total
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds
Committed for Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,027
Committed for Public Health and Welfare	0	0	0	0	229,995
Committed for Capital Outlay	0	0	43,394	43,394	43,394
Committed for Capital Projects	0	0	0	255,888	255,888
Unassigned	0	(92,250)	0	(151,208)	(151,208)
Total Fund Balances	\$ 3,003	\$ (52,385)	\$ 43,394	\$ 190,942	\$ 483,839
Total Liabilities and Fund Balances	\$ 3,003	\$ 0	\$ 43,394	\$ 391,560	\$ 704,647

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0	\$ 8,122	\$ 0	\$ 8,122	\$ 0	\$ 0
Charges for Current Services	670,534	0	193,899	864,433	0	0
Other Local Revenues	1,283	0	0	1,283	0	0
State of Tennessee	54,747	0	0	54,747	0	0
Federal Government	0	0	0	0	1,511,413	326,424
Total Revenues	\$ 726,564	\$ 8,122	\$ 193,899	\$ 928,585	\$ 1,511,413	\$ 326,424
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 205,055	\$ 205,055	\$ 0	\$ 0
Public Safety	0	26,790	0	26,790	0	0
Public Health and Welfare	346,992	0	0	346,992	0	345,430
Other Operations	76,838	0	0	76,838	0	0
Debt Service:						
Principal on Debt	44,800	0	0	44,800	0	0
Interest on Debt	9,928	0	0	9,928	0	0
Capital Projects	0	0	0	0	1,516,819	57,543
Total Expenditures	\$ 478,558	\$ 26,790	\$ 205,055	\$ 710,403	\$ 1,516,819	\$ 402,973
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 248,006	\$ (18,668)	\$ (11,156)	\$ 218,182	\$ (5,406)	\$ (76,549)

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (230,000)	\$ 0	\$ 0	\$ (230,000)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ (230,000)	\$ 0	\$ 0	\$ (230,000)	\$ 0	\$ 0
Net Change in Fund Balances	\$ 18,006	\$ (18,668)	\$ (11,156)	\$ (11,818)	\$ (5,406)	\$ (76,549)
Fund Balance, July 1, 2019	211,989	47,543	45,183	304,715	261,294	17,591
Fund Balance, June 30, 2020	\$ 229,995	\$ 28,875	\$ 34,027	\$ 292,897	\$ 255,888	\$ (58,958)

(Continued)

Exhibit G-2

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,122
Charges for Current Services	0	0	0	0	864,433
Other Local Revenues	0	75	27,200	27,275	28,558
State of Tennessee	0	0	0	0	54,747
Federal Government	0	0	0	1,837,837	1,837,837
Total Revenues	\$ 0	\$ 75	\$ 27,200	\$ 1,865,112	\$ 2,793,697
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 205,055
Public Safety	0	0	0	0	26,790
Public Health and Welfare	0	0	0	345,430	692,422
Other Operations	0	0	0	0	76,838
Debt Service:					
Principal on Debt	0	0	0	0	44,800
Interest on Debt	0	0	0	0	9,928
Capital Projects	0	186,310	37,000	1,797,672	1,797,672
Total Expenditures	\$ 0	\$ 186,310	\$ 37,000	\$ 2,143,102	\$ 2,853,505
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	(186,235)	(9,800)	(277,990)	(59,808)

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>				Total
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (230,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (230,000)</u>
Net Change in Fund Balances	\$ 0	\$ (186,235)	\$ (9,800)	\$ (277,990)	\$ (289,808)
Fund Balance, July 1, 2019	<u>3,003</u>	<u>133,850</u>	<u>53,194</u>	<u>468,932</u>	<u>773,647</u>
Fund Balance, June 30, 2020	<u>\$ 3,003</u>	<u>\$ (52,385)</u>	<u>\$ 43,394</u>	<u>\$ 190,942</u>	<u>\$ 483,839</u>

Exhibit G-3

Haywood County, Tennessee
Schedule 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>				
Charges for Current Services	\$ 670,534	\$ 640,000	\$ 640,000	\$ 30,534
Other Local Revenues	1,283	0	0	1,283
State of Tennessee	54,747	44,200	44,200	10,547
Total Revenues	<u>\$ 726,564</u>	<u>\$ 684,200</u>	<u>\$ 684,200</u>	<u>\$ 42,364</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 346,992	\$ 393,160	\$ 345,390	\$ (1,602)
<u>Other Operations</u>				
Other Charges	20,992	21,902	21,902	910
Employee Benefits	55,846	50,636	50,636	(5,210)
<u>Principal on Debt</u>				
General Government	44,800	0	37,842	(6,958)
<u>Interest on Debt</u>				
General Government	9,928	0	9,928	0
Total Expenditures	<u>\$ 478,558</u>	<u>\$ 465,698</u>	<u>\$ 465,698</u>	<u>\$ (12,860)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 248,006</u>	<u>\$ 218,502</u>	<u>\$ 218,502</u>	<u>\$ 29,504</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (230,000)	\$ (230,000)	\$ (230,000)	\$ 0
Total Other Financing Sources	<u>\$ (230,000)</u>	<u>\$ (230,000)</u>	<u>\$ (230,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 18,006	\$ (11,498)	\$ (11,498)	\$ 29,504
Fund Balance, July 1, 2019	211,989	195,420	195,420	16,569
Fund Balance, June 30, 2020	<u>\$ 229,995</u>	<u>\$ 183,922</u>	<u>\$ 183,922</u>	<u>\$ 46,073</u>

Exhibit G-4

Haywood 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	\$ 8,122	\$ 22,075	\$ 22,075	\$ (13,953)
Total Revenues	\$ 8,122	\$ 22,075	\$ 22,075	\$ (13,953)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 26,790	\$ 8,000	\$ 8,000	\$ (18,790)
Total Expenditures	\$ 26,790	\$ 8,000	\$ 8,000	\$ (18,790)
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,668)	\$ 14,075	\$ 14,075	\$ (32,743)
Net Change in Fund Balance	\$ (18,668)	\$ 14,075	\$ 14,075	\$ (32,743)
Fund Balance, July 1, 2019	47,543	(21,966)	(21,966)	69,509
Fund Balance, June 30, 2020	\$ 28,875	\$ (7,891)	\$ (7,891)	\$ 36,766

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

Haywood 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	\$ 1,390,555	\$ 1,457,691	\$ 1,457,691	\$ (67,136)
Other Local Revenues	232,520	65,000	65,000	167,520
State of Tennessee	58,299	60,000	60,000	(1,701)
Federal Government	10,985	95,425	95,425	(84,440)
Other Governments and Citizens Groups	168,772	237,217	355,989	(187,217)
Total Revenues	<u>\$ 1,861,131</u>	<u>\$ 1,915,333</u>	<u>\$ 2,034,105</u>	<u>\$ (172,974)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,114,451	\$ 1,373,462	\$ 1,114,451	\$ 0
Education	600,096	271,657	595,073	(5,023)
<u>Interest on Debt</u>				
General Government	288,412	524,710	530,195	241,783
Education	119,087	37,520	114,338	(4,749)
<u>Other Debt Service</u>				
General Government	136,892	36,100	147,938	11,046
Total Expenditures	<u>\$ 2,258,938</u>	<u>\$ 2,243,449</u>	<u>\$ 2,501,995</u>	<u>\$ 243,057</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (397,807)</u>	<u>\$ (328,116)</u>	<u>\$ (467,890)</u>	<u>\$ 70,083</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 5,320,000	\$ 0	\$ 5,320,000	\$ 0
Premiums on Debt Sold	400,297	0	400,297	0
Payments to Refunded Debt Escrow Agent	(5,608,460)	0	(5,608,460)	0
Total Other Financing Sources	<u>\$ 111,837</u>	<u>\$ 0</u>	<u>\$ 111,837</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (285,970)</u>	<u>\$ (328,116)</u>	<u>\$ (356,053)</u>	<u>\$ 70,083</u>
Fund Balance, July 1, 2019	<u>2,101,237</u>	<u>1,845,727</u>	<u>1,845,727</u>	<u>255,510</u>
Fund Balance, June 30, 2020	<u>\$ 1,815,267</u>	<u>\$ 1,517,611</u>	<u>\$ 1,489,674</u>	<u>\$ 325,593</u>

Fiduciary Funds

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

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

Joint Venture Fund – The Joint Venture Fund is used to account for funding received primarily from Haywood County and the City of Brownsville for an emergency management agency.

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, general sessions, and juvenile 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

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

	Agency Funds			Total
	Cities - Sales Tax	Joint Venture	Constitu - tional Officers - Agency	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 570,986	\$ 570,986
Equity in Pooled Cash and Investments	0	20,254	0	20,254
Accounts Receivable	0	0	12,254	12,254
Due from Other Governments	328,868	0	0	328,868
Total Assets	<u>\$ 328,868</u>	<u>\$ 20,254</u>	<u>\$ 583,240</u>	<u>\$ 932,362</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 1,258	\$ 0	\$ 1,258
Due to Other Funds	0	400	0	400
Due to State of Tennessee	0	48	0	48
Due to Other Taxing Units	328,868	0	0	328,868
Due to Litigants, Heirs, and Others	0	0	583,240	583,240
Due to Joint Ventures	0	18,548	0	18,548
Total Liabilities	<u>\$ 328,868</u>	<u>\$ 20,254</u>	<u>\$ 583,240</u>	<u>\$ 932,362</u>

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,714,062	\$ 1,714,062	\$ 0
Due from Other Governments	282,214	328,868	282,214	328,868
Total Assets	\$ 282,214	\$ 2,042,930	\$ 1,996,276	\$ 328,868
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 282,214	\$ 2,042,930	\$ 1,996,276	\$ 328,868
Total Liabilities	\$ 282,214	\$ 2,042,930	\$ 1,996,276	\$ 328,868
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 19,640	\$ 71,909	\$ 71,295	\$ 20,254
Total Assets	\$ 19,640	\$ 71,909	\$ 71,295	\$ 20,254
<u>Liabilities</u>				
Accounts Payable	\$ 206	\$ 1,258	\$ 206	\$ 1,258
Payroll Deductions Payable	463	0	463	0
Due to Other Funds	0	400	0	400
Due to State of Tennessee	0	48	0	48
Due to Joint Venture	18,971	70,203	70,626	18,548
Total Liabilities	\$ 19,640	\$ 71,909	\$ 71,295	\$ 20,254
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 566,548	\$ 5,076,634	\$ 5,072,196	\$ 570,986
Accounts Receivable	5,389	12,254	5,389	12,254
Total Assets	\$ 571,937	\$ 5,088,888	\$ 5,077,585	\$ 583,240
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 571,937	\$ 5,088,888	\$ 5,077,585	\$ 583,240
Total Liabilities	\$ 571,937	\$ 5,088,888	\$ 5,077,585	\$ 583,240

(Continued)

Exhibit I-2

Haywood County, Tennessee

Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 566,548	\$ 5,076,634	\$ 5,072,196	\$ 570,986
Equity in Pooled Cash and Investments	19,640	1,785,971	1,785,357	20,254
Accounts Receivable	5,389	12,254	5,389	12,254
Due from Other Governments	282,214	328,868	282,214	328,868
Total Assets	<u>\$ 873,791</u>	<u>\$ 7,203,727</u>	<u>\$ 7,145,156</u>	<u>\$ 932,362</u>
<u>Liabilities</u>				
Accounts Payable	\$ 206	\$ 1,258	\$ 206	\$ 1,258
Payroll Deductions Payable	463	0	463	0
Due to Other Funds	0	400	0	400
Due to State of Tennessee	0	48	0	48
Due to Other Taxing Units	282,214	2,042,930	1,996,276	328,868
Due to Litigants, Heirs, and Others	571,937	5,088,888	5,077,585	583,240
Due to Joint Ventures	18,971	70,203	70,626	18,548
Total Liabilities	<u>\$ 873,791</u>	<u>\$ 7,203,727</u>	<u>\$ 7,145,156</u>	<u>\$ 932,362</u>

Haywood County School Department

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

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

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

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

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

Exhibit J-1

Haywood County, Tennessee
Statement of Activities
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 16,400,204	\$ 21,179	\$ 2,634,916	\$ 1,252,775	\$ (12,491,334)
Support Services	10,528,428	0	400,314	0	(10,128,114)
Operation of Non-instructional Services	2,897,393	39,862	2,931,173	9,500	83,142
Total Governmental Activities	\$ 29,826,025	\$ 61,041	\$ 5,966,403	\$ 1,262,275	\$ (22,536,306)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,907,739
Local Option Sales Taxes					1,948,064
Wheel Tax					280,749
Other Local Taxes					25,671
Grants and Contributions Not Restricted to Specific Programs					17,175,336
Miscellaneous					29,788
Total General Revenues					\$ 23,367,347
Change in Net Position					\$ 831,041
Net Position, July 1, 2019					22,611,435
Net Position, June 30, 2020					\$ 23,442,476

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	<u>General</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Govern- mental</u>	<u>Total</u>
	<u>School</u>	<u>Funds</u>	<u>Governmental</u>
			<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 236	\$ 236
Equity in Pooled Cash and Investments	4,463,947	789,762	5,253,709
Accounts Receivable	0	174	174
Due from Other Governments	450,826	184,459	635,285
Property Taxes Receivable	4,290,742	0	4,290,742
Allowance for Uncollectible Property Taxes	(191,758)	0	(191,758)
Restricted Assets	138,950	0	138,950
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 9,152,707	\$ 974,631	\$ 10,127,338
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>			
Accounts Payable	\$ 311,241	\$ 0	\$ 311,241
Payroll Deductions Payable	601,513	62,091	663,604
Retainage Payable	0	1,328	1,328
Other Current Liabilities	86	0	86
Total Liabilities	\$ 912,840	\$ 63,419	\$ 976,259
	<hr/>	<hr/>	<hr/>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,918,573	\$ 0	\$ 3,918,573
Deferred Delinquent Property Taxes	162,040	0	162,040
Other Deferred/Unavailable Revenue	186,625	0	186,625
Total Deferred Inflows of Resources	\$ 4,267,238	\$ 0	\$ 4,267,238
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 851,521	\$ 0	\$ 851,521
Restricted for Operation of Non-instructional Services	0	711,212	711,212
Restricted for Hybrid Retirement Stabilization Funds	138,950	0	138,950
Committed:			
Committed for Education	1,710,655	0	1,710,655
Assigned:			
Assigned for Education	41,482	200,000	241,482
Assigned for Support Services	3,448	0	3,448
Unassigned	1,226,573	0	1,226,573
Total Fund Balances	\$ 3,972,629	\$ 911,212	\$ 4,883,841
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,152,707	\$ 974,631	\$ 10,127,338
	<hr/>	<hr/>	<hr/>

Exhibit J-3

Haywood County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Haywood 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)		\$	4,883,841
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	414,268	
Add: buildings and improvements net of accumulated depreciation		15,257,254	
Add: other capital assets net of accumulated depreciation		<u>1,664,174</u>	17,335,696
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for capital purposes	\$	(230,635)	
Less: net OPEB liability		<u>(1,723,672)</u>	(1,954,307)
(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	\$	2,233,521	
Less: deferred inflows of resources related to pensions		(3,250,933)	
Add: deferred outflows of resources related to OPEB		446,074	
Less: deferred inflows of resources related to OPEB		<u>(792,368)</u>	(1,363,706)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	999,702	
Add: net pension asset - teacher retirement plan		164,528	
Add: net pension asset - teacher legacy pension plan		<u>3,028,057</u>	4,192,287
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>348,665</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>23,442,476</u></u>

Exhibit J-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 6,290,492	\$ 0	\$ 6,290,492
Licenses and Permits	608	0	608
Charges for Current Services	21,179	39,862	61,041
Other Local Revenues	210,808	6,338	217,146
State of Tennessee	18,012,316	28,068	18,040,384
Federal Government	166,403	4,620,204	4,786,607
Other Governments and Citizens Groups	0	103,560	103,560
Total Revenues	<u>\$ 24,701,806</u>	<u>\$ 4,798,032</u>	<u>\$ 29,499,838</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 14,234,849	\$ 1,498,254	\$ 15,733,103
Support Services	9,980,848	745,254	10,726,102
Operation of Non-Instructional Services	613,511	2,262,198	2,875,709
Capital Outlay	24,459	0	24,459
Debt Service:			
Other Debt Service	316,305	69,467	385,772
Capital Projects	0	94,575	94,575
Total Expenditures	<u>\$ 25,169,972</u>	<u>\$ 4,669,748</u>	<u>\$ 29,839,720</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (468,166)</u>	<u>\$ 128,284</u>	<u>\$ (339,882)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 32,524	\$ 0	\$ 32,524
Transfers Out	0	(32,524)	(32,524)
Total Other Financing Sources (Uses)	<u>\$ 32,524</u>	<u>\$ (32,524)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (435,642)	\$ 95,760	\$ (339,882)
Fund Balance, July 1, 2019	4,408,271	815,452	5,223,723
Fund Balance, June 30, 2020	<u>\$ 3,972,629</u>	<u>\$ 911,212</u>	<u>\$ 4,883,841</u>

Exhibit J-5

Haywood County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Haywood 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)		\$ (339,882)
(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	\$ 499,737	
Less: current-year depreciation expense	<u>(1,279,079)</u>	(779,342)
(2) The net effect of various miscellaneous transactions involving capital assets (Sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized		1,158,200
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 348,665	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(349,637)</u>	(972)
(4) The contributions of long-term debt (e.g., capital 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 capital lease to primary government		111,954
(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	\$ 171,081	
Change in net pension asset - teacher retirement plan	48,809	
Change in net pension asset - teacher legacy pension plan	1,928,502	
Change in deferred outflows related to pensions	(453,249)	
Change in deferred inflows related to pensions	(987,015)	
Change in net OPEB liability	(272,829)	
Change in deferred outflows related to OPEB	297,939	
Change in deferred inflows related to OPEB	<u>(52,155)</u>	<u>681,083</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 831,041</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>					
Cash	\$ 0	\$ 236	\$ 236	\$ 0	\$ 236
Equity in Pooled Cash and Investments	242,518	545,916	788,434	1,328	789,762
Accounts Receivable	0	174	174	0	174
Due from Other Governments	10,256	174,203	184,459	0	184,459
Total Assets	\$ 252,774	\$ 720,529	\$ 973,303	\$ 1,328	\$ 974,631
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 52,774	\$ 9,317	\$ 62,091	\$ 0	\$ 62,091
Retainage Payable	0	0	0	1,328	1,328
Total Liabilities	\$ 52,774	\$ 9,317	\$ 62,091	\$ 1,328	\$ 63,419
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Operation of Non-instructional Services	\$ 0	\$ 711,212	\$ 711,212	\$ 0	\$ 711,212
Assigned:					
Assigned for Education	200,000	0	200,000	0	200,000
Total Fund Balances	\$ 200,000	\$ 711,212	\$ 911,212	\$ 0	\$ 911,212
Total Liabilities and Fund Balances	\$ 252,774	\$ 720,529	\$ 973,303	\$ 1,328	\$ 974,631

Exhibit J-7

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 39,862	\$ 39,862	\$ 0	\$ 39,862
Other Local Revenues	0	5,823	5,823	515	6,338
State of Tennessee	0	28,068	28,068	0	28,068
Federal Government	2,620,147	2,000,057	4,620,204	0	4,620,204
Other Governments and Citizens Groups	0	9,500	9,500	94,060	103,560
Total Revenues	\$ 2,620,147	\$ 2,083,310	\$ 4,703,457	\$ 94,575	\$ 4,798,032
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,498,254	\$ 0	\$ 1,498,254	\$ 0	\$ 1,498,254
Support Services	745,254	0	745,254	0	745,254
Operation of Non-Instructional Services	274,648	1,987,550	2,262,198	0	2,262,198
Debt Service:					
Other Debt Service	69,467	0	69,467	0	69,467
Capital Projects	0	0	0	94,575	94,575
Total Expenditures	\$ 2,587,623	\$ 1,987,550	\$ 4,575,173	\$ 94,575	\$ 4,669,748
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 32,524	\$ 95,760	\$ 128,284	\$ 0	\$ 128,284
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (32,524)	\$ 0	\$ (32,524)	\$ 0	\$ (32,524)
Total Other Financing Sources (Uses)	\$ (32,524)	\$ 0	\$ (32,524)	\$ 0	\$ (32,524)

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
Net Change in Fund Balances	\$ 0	\$ 95,760	\$ 95,760	\$ 0	\$ 95,760
Fund Balance, July 1, 2019	200,000	615,452	815,452	0	815,452
Fund Balance, June 30, 2020	\$ 200,000	\$ 711,212	\$ 911,212	\$ 0	\$ 911,212

Exhibit J-8

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood 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	\$ 6,290,492	\$ 0	\$ 0	\$ 6,290,492	\$ 6,315,440	\$ 6,322,910	\$ (32,418)
Licenses and Permits	608	0	0	608	984	984	(376)
Charges for Current Services	21,179	0	0	21,179	43,566	43,566	(22,387)
Other Local Revenues	210,808	0	0	210,808	181,252	213,546	(2,738)
State of Tennessee	18,012,316	0	0	18,012,316	18,387,026	18,495,696	(483,380)
Federal Government	166,403	0	0	166,403	103,557	168,892	(2,489)
Other Governments and Citizens Groups	0	0	0	0	92,500	92,500	(92,500)
Total Revenues	\$ 24,701,806	\$ 0	\$ 0	\$ 24,701,806	\$ 25,124,325	\$ 25,338,094	\$ (636,288)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 11,134,300	\$ (60,525)	\$ 3,570	\$ 11,077,345	\$ 11,185,866	\$ 11,334,550	\$ 257,205
Alternative Instruction Program	443,326	0	0	443,326	487,327	484,327	41,001
Special Education Program	1,899,727	(1,059)	0	1,898,668	2,050,546	1,986,295	87,627
Career and Technical Education Program	757,496	0	0	757,496	1,245,070	1,264,070	506,574
<u>Support Services</u>							
Attendance	120,906	0	0	120,906	128,653	128,653	7,747
Health Services	231,674	0	0	231,674	230,680	235,682	4,008
Other Student Support	849,606	0	0	849,606	820,401	901,621	52,015
Regular Instruction Program	916,152	0	0	916,152	853,559	928,809	12,657
Alternative Instruction Program	424	0	0	424	21,750	2,000	1,576
Special Education Program	347,292	0	0	347,292	386,239	386,239	38,947
Career and Technical Education Program	128,041	0	0	128,041	136,664	136,664	8,623
Technology	420,538	(11,538)	0	409,000	453,100	453,100	44,100
Other Programs	42,283	0	0	42,283	0	42,283	0
Board of Education	425,208	0	0	425,208	453,991	449,991	24,783
Director of Schools	308,847	0	0	308,847	366,307	366,307	57,460
Office of the Principal	1,871,250	0	0	1,871,250	1,736,033	1,878,984	7,734
Fiscal Services	325,914	0	27	325,941	324,000	328,000	2,059

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 737,116	\$ 0	\$ 0	\$ 737,116	\$ 809,219	\$ 766,268	\$ 29,152
Maintenance of Plant	1,407,294	(700)	34,726	1,441,320	1,559,739	1,568,268	126,948
Transportation	1,848,303	(978)	2,159	1,849,484	2,172,537	2,170,534	321,050
<u>Operation of Non-Instructional Services</u>							
Community Services	29,612	0	0	29,612	33,112	29,612	0
Early Childhood Education	583,899	0	0	583,899	598,862	583,899	0
<u>Capital Outlay</u>							
Regular Capital Outlay	24,459	0	1,000	25,459	75,000	75,000	49,541
<u>Principal on Debt</u>							
Education	0	0	0	0	267,000	0	0
<u>Other Debt Service</u>							
Education	316,305	0	0	316,305	0	316,305	0
Total Expenditures	\$ 25,169,972	\$ (74,800)	\$ 41,482	\$ 25,136,654	\$ 26,395,655	\$ 26,817,461	\$ 1,680,807
Excess (Deficiency) of Revenues Over Expenditures							
	\$ (468,166)	\$ 74,800	\$ (41,482)	\$ (434,848)	\$ (1,271,330)	\$ (1,479,367)	\$ 1,044,519
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 32,524	\$ 0	\$ 0	\$ 32,524	\$ 52,184	\$ 44,184	\$ (11,660)
Transfers Out	0	0	0	0	0	(14,964)	14,964
Total Other Financing Sources	\$ 32,524	\$ 0	\$ 0	\$ 32,524	\$ 52,184	\$ 29,220	\$ 3,304
Net Change in Fund Balance							
Fund Balance, July 1, 2019	\$ (435,642)	\$ 74,800	\$ (41,482)	\$ (402,324)	\$ (1,219,146)	\$ (1,450,147)	\$ 1,047,823
	4,408,271	(74,800)	0	4,333,471	3,939,661	3,939,661	393,810
Fund Balance, June 30, 2020	\$ 3,972,629	\$ 0	\$ (41,482)	\$ 3,931,147	\$ 2,720,515	\$ 2,489,514	\$ 1,441,633

Exhibit J-9

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Haywood 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	\$ 2,620,147	\$ 2,956,057	\$ 3,208,220	\$ (588,073)
Total Revenues	\$ 2,620,147	\$ 2,956,057	\$ 3,208,220	\$ (588,073)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 844,968	\$ 922,951	\$ 974,267	\$ 129,299
Special Education Program	605,468	637,388	666,222	60,754
Career and Technical Education Program	47,818	51,154	72,215	24,397
<u>Support Services</u>				
Other Student Support	157,859	211,486	238,690	80,831
Regular Instruction Program	471,398	599,652	599,059	127,661
Special Education Program	105,070	103,848	157,464	52,394
Career and Technical Education Program	2,677	4,200	2,677	0
Operation of Plant	8,250	50,000	46,000	37,750
<u>Operation of Non-Instructional Services</u>				
Community Services	274,648	346,303	346,303	71,655
<u>Other Debt Service</u>				
Education	69,467	0	69,467	0
Total Expenditures	\$ 2,587,623	\$ 2,926,982	\$ 3,172,364	\$ 584,741
Excess (Deficiency) of Revenues Over Expenditures	\$ 32,524	\$ 29,075	\$ 35,856	\$ (3,332)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (32,524)	\$ (29,076)	\$ (35,854)	\$ 3,330
Total Other Financing Sources	\$ (32,524)	\$ (29,076)	\$ (35,854)	\$ 3,330
Net Change in Fund Balance	\$ 0	\$ (1)	\$ 2	\$ (2)
Fund Balance, July 1, 2019	200,000	200,000	200,000	0
Fund Balance, June 30, 2020	\$ 200,000	\$ 199,999	\$ 200,002	\$ (2)

Exhibit J-10

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Haywood 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	\$ 39,862	\$ 70,000	\$ 70,000	\$ (30,138)
Other Local Revenues	5,823	11,900	11,900	(6,077)
State of Tennessee	28,068	18,000	18,000	10,068
Federal Government	2,000,057	1,636,834	1,749,314	250,743
Other Governments and Citizens Groups	9,500	0	0	9,500
Total Revenues	<u>\$ 2,083,310</u>	<u>\$ 1,736,734</u>	<u>\$ 1,849,214</u>	<u>\$ 234,096</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,987,550	\$ 1,930,586	\$ 2,043,066	\$ 55,516
Total Expenditures	<u>\$ 1,987,550</u>	<u>\$ 1,930,586</u>	<u>\$ 2,043,066</u>	<u>\$ 55,516</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 95,760</u>	<u>\$ (193,852)</u>	<u>\$ (193,852)</u>	<u>\$ 289,612</u>
Net Change in Fund Balance	\$ 95,760	\$ (193,852)	\$ (193,852)	\$ 289,612
Fund Balance, July 1, 2019	615,452	557,788	557,788	57,664
Fund Balance, June 30, 2020	<u>\$ 711,212</u>	<u>\$ 363,936</u>	<u>\$ 363,936</u>	<u>\$ 347,276</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Haywood County, Tennessee
Schedule of Changes in Long-term Note, Capital Leases, Other Loans, and Bonds
 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	Refunded During Period	Outstanding 6-30-20
<u>GOVERNMENTAL ACTIVITIES</u>									
<u>NOTE PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Capital Outlay Notes, Series 2017	\$ 245,000	2.5	% 10-13-17	6-1-24	\$ 194,000	\$ 0	\$ 37,000	\$ 0	\$ 157,000
Total Note Payable					\$ 194,000	\$ 0	\$ 37,000	\$ 0	\$ 157,000
<u>CAPITAL LEASES PAYABLE</u>									
<u>Payable through General Fund</u>									
Tractor	32,999	4.69	10-3-16	10-3-21	\$ 20,699	\$ 0	\$ 6,586	\$ 0	\$ 14,113
<u>Payable through Solid Waste/Sanitation Fund</u>									
Garbage Truck	51,800	2.95	7-31-17	7-31-20	19,236	0	17,734	0	1,502
Garbage Truck	246,390	4.14	5-19-19	6-28-24	244,185	0	27,066	0	217,119
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>									
Apple Computers	460,581	1.99	7-15-18	7-15-21	342,589	0	111,954	0	230,635
Total Capital Leases Payable					\$ 626,709	\$ 0	\$ 163,340	\$ 0	\$ 463,369
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Energy Efficient School Initiative	2,000,000	0	9-8-11	4-1-23	\$ 749,975	\$ 0	\$ 200,004	\$ 0	\$ 549,971
Energy Efficient School Initiative	3,019,439	1	7-10-18	3-1-34	2,957,070	0	188,138	0	2,768,932
Total Other Loans Payable					\$ 3,707,045	\$ 0	\$ 388,142	\$ 0	\$ 3,318,903
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Bonds, Series 2009	300,000	4.5	6-30-09	6-28-24	\$ 121,897	\$ 0	\$ 22,451	\$ 0	\$ 99,446
General Obligation Bonds, Series 2010	5,575,000	4.75 to 5.55	3-10-10	7-12-19	5,575,000	0	0	5,575,000	0
General Obligation Refunding Bonds, Series 2015	7,225,000	2 to 2.65	5-29-15	6-30-28	5,330,000	0	1,025,000	0	4,305,000
School Refunding Bonds, Series 2016	1,196,134	2.95	12-14-16	6-1-27	919,000	0	100,000	0	819,000
General Obligation Bonds, Series 2018	1,730,000	3 to 4	3-29-18	3-1-38	1,730,000	0	0	0	1,730,000
General Obligation Refunding Bonds, Series 2019	5,320,000	2 to 5	7-12-19	6-1-32	0	5,320,000	30,000	0	5,290,000
Total Bonds Payable					\$ 13,675,897	\$ 5,320,000	\$ 1,177,451	\$ 5,575,000	\$ 12,243,446

(Continued)

Exhibit K-1

Haywood County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds (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	Refunded During Period	Outstanding 6-30-20
<u>BUSINESS-TYPE ACTIVITIES</u>									
<u>CAPITAL LEASES PAYABLE</u>									
<u>Payable through Solid Waste Disposal Fund</u>									
Caterpillar Loader	\$ 83,539	2.49 %	9-2-14	9-29-19	\$ 4,434	\$ 0	\$ 4,434	0	\$ 0
Caterpillar Bulldozer	100,413	3.2	2-18-16	2-18-22	47,012	0	17,161	0	29,851
Total Capital Leases Payable					<u>\$ 51,446</u>	<u>\$ 0</u>	<u>\$ 21,595</u>	<u>\$ 0</u>	<u>\$ 29,851</u>

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Note Payable		
	Principal	Interest	Total
2021	\$ 38,000	\$ 3,925	\$ 41,925
2022	39,000	2,975	41,975
2023	40,000	2,000	42,000
2024	40,000	1,000	41,000
Total	<u>\$ 157,000</u>	<u>\$ 9,900</u>	<u>\$ 166,900</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2021	\$ 150,785	\$ 13,713	\$ 164,498
2022	153,070	9,923	162,993
2023	30,638	6,027	36,665
2024	128,876	4,733	133,609
Total	<u>\$ 463,369</u>	<u>\$ 34,396</u>	<u>\$ 497,765</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2021	\$ 390,039	\$ 26,817	\$ 416,856
2022	391,948	24,908	416,856
2023	343,829	22,986	366,815
2024	195,812	21,040	216,852
2025	197,782	19,070	216,852
2026	199,775	17,077	216,852
2027	201,781	15,071	216,852
2028	203,810	13,042	216,852
2029	205,852	11,000	216,852
2030	207,918	8,934	216,852
2031	210,008	6,844	216,852
2032	212,121	4,731	216,852
2033	214,225	2,627	216,852
2034	144,003	597	144,600
Total	<u>\$ 3,318,903</u>	<u>\$ 194,744</u>	<u>\$ 3,513,647</u>

(Continued)

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

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,197,461	\$ 361,952	\$ 1,559,413
2022	1,022,517	335,979	1,358,496
2023	1,063,620	300,589	1,364,209
2024	1,107,848	263,851	1,371,699
2025	1,131,000	225,201	1,356,201
2026	1,155,000	185,894	1,340,894
2027	1,196,000	144,961	1,340,961
2028	1,110,000	115,259	1,225,259
2029	610,000	87,531	697,531
2030	630,000	73,094	703,094
2031	645,000	59,494	704,494
2032	655,000	43,931	698,931
2033	110,000	24,019	134,019
2034	115,000	20,444	135,444
2035	120,000	16,706	136,706
2036	120,000	12,656	132,656
2037	125,000	8,606	133,606
2038	130,000	4,388	134,388
Total	<u>\$ 12,243,446</u>	<u>\$ 2,284,555</u>	<u>\$ 14,528,001</u>

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2021	\$ 17,719	\$ 697	\$ 18,416
2022	12,132	146	12,278
Total	<u>\$ 29,851</u>	<u>\$ 843</u>	<u>\$ 30,694</u>

Exhibit K-3

Haywood County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Haywood County School Department
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	Solid Waste Disposal	Operations	<u>\$ 230,000</u>
Total Transfers Primary Government			<u><u>\$ 230,000</u></u>
<u>DISCRETELY PRESENTED HAYWOOD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 32,524</u>
Total Transfers Discretely Presented Haywood County School Department			<u><u>\$ 32,524</u></u>

Exhibit K-4

Haywood County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Haywood 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	\$ 400,000	Local Government Property and Casualty Fund
Chief Administrative Highway Officer	Section 8-24-102, <i>TCA</i>	81,368	100,000	RLI Insurance Company
Director of Schools	State Board of Education and County Board of Education	116,155 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i> , and County Commission	76,491 (2)	1,068,814	"
Assessor of Property	Section 8-24-102, <i>TCA</i> , and County Commission	76,491 (2)	100,000	Western Surety Company
County Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	76,491 (2)	400,000	Local Government Property and Casualty Fund
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	76,491 (2)	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and County Commission	76,491 (2)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i> , and County Commission	76,491 (2)	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	82,168 (3)	400,000	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department: All Employees			400,000	Local Government Property and Casualty Fund
Office of Director of Schools: All Employees			400,000	Tennessee Risk Management Trust

(1) Includes a career ladder supplement of \$1,000.

(2) Includes a certified public administrator supplement of \$2,520.

(3) Includes a law enforcement training supplement of \$800.

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,066,861	\$ 0	\$ 0	\$ 0	\$ 466,985	\$ 901,369
Discount on Property Taxes	(63,221)	0	0	0	(4,756)	(9,179)
Trustee's Collections - Prior Year	150,529	0	0	0	11,355	21,912
Trustee's Collections - Bankruptcy	512	0	0	0	42	82
Circuit Clerk/Clerk and Master Collections - Prior Years	126,798	0	0	0	9,539	18,459
Interest and Penalty	31,516	0	0	0	2,374	4,582
Payments in-Lieu-of Taxes - T.V.A.	190,937	0	0	0	15,669	30,243
Payments in-Lieu-of Taxes - Local Utilities	64,250	0	0	0	0	110
Payments in-Lieu-of Taxes - Other	1,390	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	179,449	0	0	0	0	0
Hotel/Motel Tax	41,085	0	0	0	0	0
Wheel Tax	554,474	0	0	0	140,375	280,774
Litigation Tax - General	113,544	0	0	0	0	0
Litigation Tax - Special Purpose	1,907	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	142,166
Litigation Tax - Courthouse Security	34,680	0	0	0	0	37
Business Tax	154,356	0	0	0	0	0
Mixed Drink Tax	3,049	0	0	0	0	0
Other County Local Option Taxes	15,587	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	18,583	0	0	0	0	0
Wholesale Beer Tax	47,485	0	0	0	0	0
Beer Privilege Tax	474	0	0	0	0	0
Total Local Taxes	\$ 7,734,245	\$ 0	\$ 0	\$ 0	\$ 641,583	\$ 1,390,555

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 745	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	3,126	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,314	0	0	0	0	0
Building Permits	15,445	0	0	0	0	0
Other Permits	255	0	0	0	0	0
Total Licenses and Permits	\$ 20,885	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 960	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Circuit Court	554	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	36,079	0	0	0	0	0
Officers Costs	31,345	0	0	0	0	0
Drug Control Fines	0	0	637	0	0	0
Jail Fees	26,235	0	0	0	0	0
DUI Treatment Fines	6,335	0	0	0	0	0
Data Entry Fee - General Sessions Court	14,416	0	0	0	0	0
Courtroom Security Fee	584	0	0	0	0	0
Victims Assistance Assessments	16,292	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	548	0	0	0	0	0
Officers Costs	918	0	0	0	0	0
Data Entry Fee - Juvenile Court	248	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	2,784	0	0	0	0	0
Courtroom Security Fee	1,440	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	7,485	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 139,500	\$ 0	\$ 8,122	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Residential Waste Collection Charge	\$ 0	\$ 670,534	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	874,893	0	0	0	0	0
Zoning Studies	480	0	0	0	0	0
Health Department Collections	156,567	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	28,688	0	0	0	0	0
Copy Fees	202	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	65,846	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	193,899	0	0
Data Processing Fee - Register	6,269	0	0	0	0	0
Data Processing Fee - Sheriff	2,019	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,350	0	0	0	0	0
Data Processing Fee - County Clerk	1,846	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,081	0	0	0	0	0
Total Charges for Current Services	\$ 1,139,291	\$ 670,534	\$ 0	\$ 193,899	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 232,520
Lease/Rentals	5,400	0	0	0	570	0
Sale of Materials and Supplies	37,496	0	0	0	6,559	0
Commissary Sales	23,248	0	0	0	0	0
Sale of Gasoline	0	0	0	0	153,895	0
Miscellaneous Refunds	42,108	1,283	0	0	5,011	0
<u>Nonrecurring Items</u>						
Sale of Equipment	200	0	0	0	0	0
Contributions and Gifts	960	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	713	0
Total Other Local Revenues	\$ 109,412	\$ 1,283	\$ 0	\$ 0	\$ 166,748	\$ 232,520
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 207,216	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	210,482	0	0	0	0	0
Circuit Court Clerk	51,633	0	0	0	0	0
General Sessions Court Clerk	207,924	0	0	0	0	0
Clerk and Master	78,749	0	0	0	0	0
Juvenile Court Clerk	34,562	0	0	0	0	0
Register	60,262	0	0	0	0	0
Sheriff	11,951	0	0	0	0	0
Total Fees Received From County Officials	\$ 862,779	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 10,305	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	12,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	18,034	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	956,839	0
Litter Program	0	54,747	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	8,662	0	0	0	0	0
Beer Tax	18,175	0	0	0	0	0
Vehicle Certificate of Title Fees	6,450	0	0	0	0	0
Alcoholic Beverage Tax	51,852	0	0	0	0	0
State Revenue Sharing - T.V.A.	401,529	0	0	0	30,204	58,299
State Revenue Sharing - Telecommunications	31,622	0	0	0	0	0
Contracted Prisoner Boarding	379,119	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,408,543	0
Petroleum Special Tax	0	0	0	0	13,556	0
Registrar's Salary Supplement	18,955	0	0	0	0	0
Other State Revenues	4,694	0	0	0	0	0
Total State of Tennessee	\$ 962,197	\$ 54,747	\$ 0	\$ 0	\$ 3,409,142	\$ 58,299
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Law Enforcement Grants	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant #2	54,103	0	0	0	0	0
COVID-19 Grant #3	840	0	0	0	0	0
Other Federal through State	107,899	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	37,574	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	10,985
Total Federal Government	<u>\$ 225,416</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,985</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 177,170	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	500,188	0	0	0	0	168,772
Contracted Services	103,515	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	6,855	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 787,728</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 168,772</u>
Total	<u>\$ 11,981,453</u>	<u>\$ 726,564</u>	<u>\$ 8,122</u>	<u>\$ 193,899</u>	<u>\$ 4,217,473</u>	<u>\$ 1,861,131</u>

(Continued)

Exhibit K-5

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/ Industrial Park	Education Capital Projects	Other Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	7,435,215
Discount on Property Taxes	0	0	0	0	(77,156)
Trustee's Collections - Prior Year	0	0	0	0	183,796
Trustee's Collections - Bankruptcy	0	0	0	0	636
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	0	154,796
Interest and Penalty	0	0	0	0	38,472
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	236,849
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	64,360
Payments in-Lieu-of Taxes - Other	0	0	0	0	1,390
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	179,449
Hotel/Motel Tax	0	0	0	0	41,085
Wheel Tax	0	0	0	0	975,623
Litigation Tax - General	0	0	0	0	113,544
Litigation Tax - Special Purpose	0	0	0	0	1,907
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	142,166
Litigation Tax - Courthouse Security	0	0	0	0	34,717
Business Tax	0	0	0	0	154,356
Mixed Drink Tax	0	0	0	0	3,049
Other County Local Option Taxes	0	0	0	0	15,587
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	18,583
Wholesale Beer Tax	0	0	0	0	47,485
Beer Privilege Tax	0	0	0	0	474
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	9,766,383

(Continued)

Exhibit K-5

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/ Industrial Park	Education Capital Projects	Other Capital Projects	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	745
Cable TV Franchise	0	0	0	0	3,126
<u>Permits</u>					
Beer Permits	0	0	0	0	1,314
Building Permits	0	0	0	0	15,445
Other Permits	0	0	0	0	255
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	20,885
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	960
Data Entry Fee - Circuit Court	0	0	0	0	554
<u>General Sessions Court</u>					
Fines	0	0	0	0	36,079
Officers Costs	0	0	0	0	31,345
Drug Control Fines	0	0	0	0	637
Jail Fees	0	0	0	0	26,235
DUI Treatment Fines	0	0	0	0	6,335
Data Entry Fee - General Sessions Court	0	0	0	0	14,416
Courtroom Security Fee	0	0	0	0	584
Victims Assistance Assessments	0	0	0	0	16,292
<u>Juvenile Court</u>					
Fines	0	0	0	0	548
Officers Costs	0	0	0	0	918
Data Entry Fee - Juvenile Court	0	0	0	0	248

(Continued)

Exhibit K-5

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/ Industrial Park	Education Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	762
Data Entry Fee - Chancery Court	0	0	0	0	2,784
Courtroom Security Fee	0	0	0	0	1,440
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	7,485
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	147,622
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	670,534
Patient Charges	0	0	0	0	874,893
Zoning Studies	0	0	0	0	480
Health Department Collections	0	0	0	0	156,567
<u>Fees</u>					
Recreation Fees	0	0	0	0	28,688
Copy Fees	0	0	0	0	202
Greenbelt Late Application Fee	0	0	0	0	50
Telephone Commissions	0	0	0	0	65,846
Constitutional Officers' Fees and Commissions	0	0	0	0	193,899
Data Processing Fee - Register	0	0	0	0	6,269
Data Processing Fee - Sheriff	0	0	0	0	2,019
Sexual Offender Registration Fee - Sheriff	0	0	0	0	1,350
Data Processing Fee - County Clerk	0	0	0	0	1,846
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	1,081
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	2,003,724

(Continued)

Exhibit K-5

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/ Industrial Park	Education Capital Projects	Other Capital Projects	
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 75	\$ 0	\$ 232,595
Lease/Rentals	0	0	0	27,200	33,170
Sale of Materials and Supplies	0	0	0	0	44,055
Commissary Sales	0	0	0	0	23,248
Sale of Gasoline	0	0	0	0	153,895
Miscellaneous Refunds	0	0	0	0	48,402
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	200
Contributions and Gifts	0	0	0	0	960
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	713
Total Other Local Revenues	\$ 0	\$ 0	\$ 75	\$ 27,200	\$ 537,238
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
Trustee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 207,216
<u>Fees In-Lieu-of Salary</u>					
County Clerk	0	0	0	0	210,482
Circuit Court Clerk	0	0	0	0	51,633
General Sessions Court Clerk	0	0	0	0	207,924
Clerk and Master	0	0	0	0	78,749
Juvenile Court Clerk	0	0	0	0	34,562
Register	0	0	0	0	60,262
Sheriff	0	0	0	0	11,951
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 862,779

(Continued)

Exhibit K-5

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/ Industrial Park	Education Capital Projects	Other Capital Projects	
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	10,305
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	12,800
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	0	0	0	0	18,034
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	956,839
Litter Program	0	0	0	0	54,747
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	8,662
Beer Tax	0	0	0	0	18,175
Vehicle Certificate of Title Fees	0	0	0	0	6,450
Alcoholic Beverage Tax	0	0	0	0	51,852
State Revenue Sharing - T.V.A.	0	0	0	0	490,032
State Revenue Sharing - Telecommunications	0	0	0	0	31,622
Contracted Prisoner Boarding	0	0	0	0	379,119
Gasoline and Motor Fuel Tax	0	0	0	0	2,408,543
Petroleum Special Tax	0	0	0	0	13,556
Registrar's Salary Supplement	0	0	0	0	18,955
Other State Revenues	0	0	0	0	4,694
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	4,484,385
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 1,511,413	\$ 326,424	\$ 0	\$ 0	1,837,837

(Continued)

Exhibit K-5

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/ Industrial Park	Education Capital Projects	Other Capital Projects	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	\$ 0	25,000
COVID-19 Grant #2	0	0	0	0	54,103
COVID-19 Grant #3	0	0	0	0	840
Other Federal through State	0	0	0	0	107,899
<u>Direct Federal Revenue</u>					
Forest Service	0	0	0	0	37,574
Tax Credit Bond Rebate	0	0	0	0	10,985
Total Federal Government	\$ 1,511,413	\$ 326,424	\$ 0	\$ 0	2,074,238
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	177,170
Contributions	0	0	0	0	668,960
Contracted Services	0	0	0	0	103,515
<u>Citizens Groups</u>					
Donations	0	0	0	0	6,855
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	956,500
Total	\$ 1,511,413	\$ 326,424	\$ 75	\$ 27,200	20,853,754

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,794,000	\$ 0	\$ 0	\$ 0	\$ 3,794,000
Discount on Property Taxes	(38,637)	0	0	0	(38,637)
Trustee's Collections - Prior Year	92,231	0	0	0	92,231
Trustee's Collections - Bankruptcy	345	0	0	0	345
Circuit Clerk/Clerk and Master Collections - Prior Years	77,491	0	0	0	77,491
Interest and Penalty	19,286	0	0	0	19,286
Payments in-Lieu-of Taxes - T.V.A.	127,297	0	0	0	127,297
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,912,252	0	0	0	1,912,252
Wheel Tax	280,749	0	0	0	280,749
Mixed Drink Tax	3,983	0	0	0	3,983
<u>Statutory Local Taxes</u>					
Other Statutory Local Taxes	21,495	0	0	0	21,495
Total Local Taxes	\$ 6,290,492	\$ 0	\$ 0	\$ 0	\$ 6,290,492
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 608	\$ 0	\$ 0	\$ 0	\$ 608
Total Licenses and Permits	\$ 608	\$ 0	\$ 0	\$ 0	\$ 608
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 8,332	\$ 0	\$ 8,332
A la Carte Sales	0	0	23,506	0	23,506

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Receipts from Individual Schools	\$ 21,179	\$ 0	\$ 0	\$ 0	\$ 21,179
Other Charges for Services	0	0	8,024	0	8,024
Total Charges for Current Services	\$ 21,179	\$ 0	\$ 39,862	\$ 0	\$ 61,041
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 4,317	\$ 0	\$ 1,196	\$ 515	\$ 6,028
Miscellaneous Refunds	20,289	0	4,104	0	24,393
<u>Nonrecurring Items</u>					
Sale of Equipment	5,056	0	23	0	5,079
Damages Recovered from Individuals	316	0	0	0	316
Contributions and Gifts	1,000	0	500	0	1,500
<u>Other Local Revenues</u>	179,830	0	0	0	179,830
Total Other Local Revenues	\$ 210,808	\$ 0	\$ 5,823	\$ 515	\$ 217,146
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 42,283	\$ 0	\$ 0	\$ 0	\$ 42,283
<u>State Education Funds</u>					
Basic Education Program	16,800,542	0	0	0	16,800,542
Early Childhood Education	598,862	0	0	0	598,862
School Food Service	0	0	18,068	0	18,068
Other State Education Funds	179,803	0	0	0	179,803
Career Ladder Program	48,811	0	0	0	48,811

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	\$ 245,389	\$ 0	\$ 0	\$ 0	\$ 245,389
Other State Grants	96,281	0	10,000	0	106,281
Other State Revenues	345	0	0	0	345
Total State of Tennessee	<u>\$ 18,012,316</u>	<u>\$ 0</u>	<u>\$ 28,068</u>	<u>\$ 0</u>	<u>\$ 18,040,384</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,221,138	\$ 0	\$ 1,221,138
USDA - Commodities	0	0	140,686	0	140,686
Breakfast	0	0	601,770	0	601,770
USDA - Other	0	0	29,953	0	29,953
USDA Food Service Equipment Grant	0	0	6,510	0	6,510
Vocational Education - Basic Grants to States	0	70,492	0	0	70,492
Title I Grants to Local Education Agencies	0	1,225,935	0	0	1,225,935
Special Education - Grants to States	0	667,205	0	0	667,205
Special Education Preschool Grants	0	43,333	0	0	43,333
English Language Acquisition Grants	0	8,472	0	0	8,472
Safe and Drug-free Schools - State Grants	0	281,706	0	0	281,706
Rural Education	0	50,630	0	0	50,630
Eisenhower Professional Development State Grants	0	114,785	0	0	114,785
Other Federal through State	88,130	157,589	0	0	245,719
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	78,273	0	0	0	78,273
Total Federal Government	<u>\$ 166,403</u>	<u>\$ 2,620,147</u>	<u>\$ 2,000,057</u>	<u>\$ 0</u>	<u>\$ 4,786,607</u>

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 94,060	\$ 94,060
<u>Citizens Groups</u>					
Donations	0	0	9,500	0	9,500
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,500</u>	<u>\$ 94,060</u>	<u>\$ 103,560</u>
Total	<u>\$ 24,701,806</u>	<u>\$ 2,620,147</u>	<u>\$ 2,083,310</u>	<u>\$ 94,575</u>	<u>\$ 29,499,838</u>

Exhibit K-7

Haywood 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	\$	29,250	
Social Security		2,304	
Life Insurance		1,710	
Audit Services		7,139	
Communication		47	
Dues and Memberships		3,881	
Other Contracted Services		4,640	
Food Supplies		7,328	
Other Charges		6,687	
Total County Commission			\$ 62,986

Beer Board

Secretary to Board	\$	150	
Board and Committee Members Fees		450	
Legal Notices, Recording, and Court Costs		37	
Library Books/Media		97	
Total Beer Board			734

County Mayor/Executive

County Official/Administrative Officer	\$	85,435	
Accountants/Bookkeepers		33,253	
Salary Supplements		1,083	
Secretary(ies)		51,245	
Social Security		12,270	
Pensions		15,976	
Employee and Dependent Insurance		12,664	
Life Insurance		544	
Unemployment Compensation		196	
Other Fringe Benefits		4,200	
Accounting Services		54,750	
Bank Charges		100	
Communication		2,004	
Data Processing Services		21,224	
Dues and Memberships		1,723	
Legal Notices, Recording, and Court Costs		967	
Maintenance Agreements		168	
Postal Charges		4,222	
Internet Connectivity		461	
Transportation - Other than Students		10,000	
Travel		1,444	
Library Books/Media		456	
Office Supplies		4,165	
Workers' Compensation Insurance		336	
Other Charges		6,069	
Office Equipment		675	
Total County Mayor/Executive			325,630

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	9,600	
Social Security		673	
Pensions		960	
Operating Lease Payments		19,495	
Legal Services		26,395	
Library Books/Media		6,010	
Workers' Compensation Insurance		17	
Total County Attorney			\$ 63,150

Election Commission

County Official/Administrative Officer	\$	65,294	
Part-time Personnel		3,515	
Election Commission		4,800	
Election Workers		7,614	
Social Security		4,670	
Pensions		6,558	
Employee and Dependent Insurance		11,539	
Life Insurance		278	
Unemployment Compensation		109	
Communication		3,631	
Data Processing Services		14,016	
Dues and Memberships		300	
Legal Notices, Recording, and Court Costs		1,588	
Maintenance Agreements		5,143	
Postal Charges		1,848	
Printing, Stationery, and Forms		2,059	
Travel		816	
Office Supplies		2,835	
Liability Insurance		1,803	
Workers' Compensation Insurance		146	
Other Charges		604	
Data Processing Equipment		1,732	
Total Election Commission			140,898

Register of Deeds

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		29,815	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		7,654	
Pensions		10,710	
Employee and Dependent Insurance		448	
Life Insurance		508	
Unemployment Compensation		112	
Other Fringe Benefits		1,680	
Communication		1,672	
Dues and Memberships		685	
Postal Charges		174	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Printing, Stationery, and Forms	\$	1,357	
Rentals		1,235	
Travel		100	
Office Supplies		154	
Workers' Compensation Insurance		186	
Data Processing Equipment		5,863	
Total Register of Deeds			\$ 138,844

Development

Supervisor/Director	\$	34,132	
Secretary(ies)		1,275	
Social Security		2,226	
Pensions		3,617	
Employee and Dependent Insurance		9,186	
Life Insurance		267	
Unemployment Compensation		58	
Other Fringe Benefits		840	
Communication		1,983	
Contracts with Government Agencies		9,393	
Data Processing Services		3,052	
Dues and Memberships		325	
Legal Notices, Recording, and Court Costs		160	
Maintenance and Repair Services - Vehicles		269	
Postal Charges		2	
Travel		521	
Gasoline		779	
Office Supplies		1,766	
Workers' Compensation Insurance		559	
Other Charges		40	
Total Development			70,450

County Buildings

Supervisor/Director	\$	72,773	
Custodial Personnel		100,807	
Overtime Pay		295	
Other Salaries and Wages		22,141	
Social Security		15,460	
Pensions		19,569	
Employee and Dependent Insurance		24,858	
Life Insurance		1,161	
Unemployment Compensation		547	
Other Fringe Benefits		12,810	
Communication		8,912	
Maintenance Agreements		36,757	
Maintenance and Repair Services - Vehicles		1,478	
Rentals		2,200	
Custodial Supplies		12,630	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Duplicating Supplies	\$	1,638	
Gasoline		3,261	
Utilities		193,616	
Other Supplies and Materials		62,747	
Vehicle and Equipment Insurance		6,124	
Workers' Compensation Insurance		6,804	
Other Charges		195	
Building Improvements		62,148	
Total County Buildings			\$ 668,931

Finance

Accounting and Budgeting

Board and Committee Members Fees	\$	5,600	
Unemployment Compensation		1	
Total Accounting and Budgeting			5,601

Property Assessor's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		83,659	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		670	
Social Security		10,979	
Pensions		18,358	
Employee and Dependent Insurance		19,510	
Life Insurance		824	
Unemployment Compensation		168	
Other Fringe Benefits		1,260	
Communication		2,554	
Contracts with Private Agencies		21,890	
Data Processing Services		25,149	
Dues and Memberships		1,550	
Postal Charges		1,069	
Rentals		7,200	
Travel		851	
Other Contracted Services		11,400	
Duplicating Supplies		1,070	
Office Supplies		1,740	
Utilities		2,931	
Workers' Compensation Insurance		1,381	
Data Processing Equipment		367	
Office Equipment		3,842	
Total Property Assessor's Office			294,913

Reappraisal Program

Pensions	\$	1,013	
Employee and Dependent Insurance		433	
Communication		440	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Other Contracted Services	\$	11,400	
Office Supplies		333	
Workers' Compensation Insurance		27	
Total Reappraisal Program			\$ 13,646

County Trustee's Office

Social Security	\$	13,727	
Pensions		17,261	
Employee and Dependent Insurance		28,598	
Life Insurance		898	
Unemployment Compensation		224	
Communication		4,866	
Data Processing Services		20,145	
Dues and Memberships		620	
Maintenance Agreements		2,481	
Maintenance and Repair Services - Office Equipment		246	
Postal Charges		3,036	
Printing, Stationery, and Forms		1,806	
Office Supplies		3,024	
Premiums on Corporate Surety Bonds		3,147	
Workers' Compensation Insurance		335	
Other Charges		258	
Total County Trustee's Office			100,672

County Clerk's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		124,293	
Part-time Personnel		596	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,052	
Pensions		16,979	
Employee and Dependent Insurance		28,598	
Life Insurance		1,126	
Unemployment Compensation		260	
Other Fringe Benefits		2,940	
Communication		2,478	
Dues and Memberships		540	
Operating Lease Payments		1,146	
Maintenance Agreements		18,417	
Postal Charges		2,946	
Printing, Stationery, and Forms		602	
Travel		1,008	
Office Supplies		9,079	
Workers' Compensation Insurance		325	
Data Processing Equipment		4,882	
Total County Clerk's Office			305,758

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing

Data Processing Services	\$	57,557	
Total Data Processing			\$ 57,557

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		194,263	
Educational Incentive - Official/Admin Officer		2,520	
Jury and Witness Expense		4,042	
Social Security		19,665	
Pensions		27,371	
Employee and Dependent Insurance		45,479	
Life Insurance		1,793	
Unemployment Compensation		432	
Other Fringe Benefits		16,380	
Communication		2,193	
Data Processing Services		26,299	
Dues and Memberships		630	
Maintenance and Repair Services - Office Equipment		375	
Postal Charges		2,033	
Printing, Stationery, and Forms		1,788	
Rentals		3,620	
Travel		1,000	
Other Contracted Services		60,000	
Office Supplies		1,576	
Workers' Compensation Insurance		499	
Other Charges		334	
Data Processing Equipment		10,427	
Total Circuit Court			496,690

General Sessions Judge

Judge(s)	\$	180,773	
Secretary(ies)		31,005	
Social Security		12,199	
Pensions		21,487	
Employee and Dependent Insurance		4,442	
Life Insurance		797	
Unemployment Compensation		56	
Other Fringe Benefits		3,360	
Communication		2,106	
Dues and Memberships		735	
Travel		427	
Library Books/Media		956	
Office Supplies		365	
Workers' Compensation Insurance		369	
Office Equipment		582	
Total General Sessions Judge			259,659

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court Clerk

Printing, Stationery, and Forms	\$	1,225	
Office Supplies		2,252	
Total General Sessions Court Clerk			\$ 3,477

Chancery Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		58,367	
Temporary Personnel		256	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		9,312	
Pensions		13,810	
Employee and Dependent Insurance		18,516	
Life Insurance		774	
Unemployment Compensation		170	
Other Fringe Benefits		3,990	
Communication		2,099	
Dues and Memberships		985	
Legal Notices, Recording, and Court Costs		1,147	
Postal Charges		693	
Printing, Stationery, and Forms		560	
Travel		236	
Office Supplies		733	
Premiums on Corporate Surety Bonds		50	
Workers' Compensation Insurance		241	
Other Charges		40	
Data Processing Equipment		10,256	
Office Equipment		299	
Total Chancery Court			199,025

Juvenile Court

Youth Service Officer(s)	\$	53,239	
Social Security		3,898	
Pensions		3,448	
Employee and Dependent Insurance		1,291	
Life Insurance		341	
Unemployment Compensation		112	
Other Fringe Benefits		2,310	
Communication		2,290	
Dues and Memberships		125	
Legal Services		54,453	
Postal Charges		128	
Travel		559	
Office Supplies		965	
Workers' Compensation Insurance		108	
Other Charges		433	
Total Juvenile Court			123,700

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security

Guards	\$	83,994	
Social Security		1,635	
Other Contracted Services		11,921	
Office Supplies		40	
Total Courtroom Security			\$ 97,590

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,368
Supervisor/Director		51,981
Deputy(ies)		307,759
Detective(s)		30,692
Investigator(s)		23,538
Lieutenant(s)		173,595
Sergeant(s)		144,506
Salary Supplements		1,200
Secretary(ies)		56,884
Part-time Personnel		22,463
Overtime Pay		116,039
Other Salaries and Wages		40,404
In-service Training		12,800
Social Security		72,881
Pensions		102,785
Employee and Dependent Insurance		135,873
Life Insurance		5,250
Unemployment Compensation		1,884
Other Fringe Benefits		30,660
Communication		18,828
Contracts with Government Agencies		600
Dues and Memberships		2,101
Maintenance Agreements		10,214
Maintenance and Repair Services - Equipment		2,110
Maintenance and Repair Services - Vehicles		15,206
Postal Charges		1,328
Travel		1,659
Tuition		7,600
Gasoline		48,367
Law Enforcement Supplies		10,253
Office Supplies		2,788
Tires and Tubes		4,754
Uniforms		9,654
Other Supplies and Materials		486
Premiums on Corporate Surety Bonds		446
Vehicle and Equipment Insurance		15,289
Workers' Compensation Insurance		24,108
Other Charges		811
Data Processing Equipment		709

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Law Enforcement Equipment	\$	5,865	
Motor Vehicles		89,000	
Total Sheriff's Department			\$ 1,684,738

Jail

Assistant(s)	\$	41,192	
Supervisor/Director		45,115	
Deputy(ies)		548,603	
Salary Supplements		400	
Secretary(ies)		30,877	
Cafeteria Personnel		95,134	
Overtime Pay		79,059	
Other Salaries and Wages		41,722	
Social Security		65,460	
Pensions		76,927	
Employee and Dependent Insurance		141,671	
Life Insurance		5,249	
Unemployment Compensation		1,670	
Other Fringe Benefits		31,080	
Maintenance Agreements		14,879	
Maintenance and Repair Services - Equipment		34,668	
Maintenance and Repair Services - Office Equipment		905	
Medical and Dental Services		543,173	
Postal Charges		1,502	
Printing, Stationery, and Forms		1,677	
Travel		1,705	
Remittance of Revenue Collected		1,150	
Custodial Supplies		14,325	
Drugs and Medical Supplies		7,374	
Food Supplies		126,091	
Office Supplies		2,041	
Prisoners Clothing		12,368	
Uniforms		6,841	
Other Supplies and Materials		1,180	
Workers' Compensation Insurance		26,578	
Food Service Equipment		1,131	
Law Enforcement Equipment		6,083	
Office Equipment		1,169	
Total Jail			2,008,999

Workhouse

County Official/Administrative Officer	\$	6,921
Assistant(s)		28,665
Laborers		8,893
Overtime Pay		3,325
Social Security		5,454
Pensions		4,039

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Employee and Dependent Insurance	\$	9,781	
Life Insurance		235	
Unemployment Compensation		126	
Communication		510	
Maintenance and Repair Services - Buildings		252	
Maintenance and Repair Services - Equipment		17,341	
Diesel Fuel		5,034	
Fertilizer, Lime, and Seed		664	
Gasoline		3,272	
Tires and Tubes		668	
Utilities		2,982	
Workers' Compensation Insurance		1,230	
Other Charges		2,849	
Building Improvements		3,183	
Other Equipment		1,397	
Total Workhouse			\$ 106,821

Fire Prevention and Control

Other Per Diem and Fees	\$	20,225	
Social Security		1,207	
Pensions		1,573	
Life Insurance		170	
Unemployment Compensation		56	
Contracts with Government Agencies		281,937	
Maintenance and Repair Services - Equipment		7,071	
Maintenance and Repair Services - Vehicles		4,635	
Diesel Fuel		3,962	
Gasoline		2,083	
Liability Insurance		845	
Vehicle and Equipment Insurance		41,166	
Workers' Compensation Insurance		5,801	
Total Fire Prevention and Control			370,731

Civil Defense

Contributions	\$	19,710	
Total Civil Defense			19,710

Rescue Squad

Contributions	\$	10,000	
Total Rescue Squad			10,000

County Coroner/Medical Examiner

Medical Personnel	\$	5,000	
Total County Coroner/Medical Examiner			5,000

Other Public Safety

Contracts with Government Agencies	\$	240,802	
Total Other Public Safety			240,802

(Continued)

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	20,400	
Communication		8,600	
Maintenance and Repair Services - Buildings		25,072	
Rentals		800	
Custodial Supplies		561	
Drugs and Medical Supplies		49	
Office Supplies		1,369	
Utilities		7,422	
Total Local Health Center			\$ 64,273

Rabies and Animal Control

Contracts with Government Agencies	\$	66,594	
Total Rabies and Animal Control			66,594

Ambulance/Emergency Medical Services

Assistant(s)	\$	46,730	
Supervisor/Director		56,124	
Medical Personnel		2,000	
Materials Supervisor		13,291	
Paraprofessionals		397,802	
Attendants		290,420	
Part-time Personnel		29,144	
Overtime Pay		105,721	
Other Salaries and Wages		29,408	
In-service Training		5,000	
Social Security		67,268	
Pensions		80,527	
Employee and Dependent Insurance		84,531	
Life Insurance		5,280	
Unemployment Compensation		1,812	
Other Fringe Benefits		24,140	
Communication		7,184	
Contracts with Government Agencies		28,868	
Data Processing Services		2,621	
Licenses		2,650	
Maintenance Agreements		8,312	
Maintenance and Repair Services - Buildings		4,724	
Maintenance and Repair Services - Vehicles		23,281	
Travel		465	
Custodial Supplies		979	
Diesel Fuel		23,419	
Drugs and Medical Supplies		86,062	
Gasoline		1,562	
Office Supplies		4,086	
Uniforms		5,137	
Utilities		9,420	
Other Supplies and Materials		2,000	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Liability Insurance	\$	18,813	
Vehicle and Equipment Insurance		20,633	
Workers' Compensation Insurance		74,664	
Total Ambulance/Emergency Medical Services			\$ 1,564,078

Appropriation to State

Paraprofessionals	\$	39,208	
Clerical Personnel		34,115	
Social Security		5,190	
Pensions		6,803	
Employee and Dependent Insurance		6,120	
Life Insurance		458	
Unemployment Compensation		178	
Other Fringe Benefits		3,780	
Travel		370	
Workers' Compensation Insurance		1,988	
Building Improvements		264,961	
Total Appropriation to State			363,171

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	49,461	
Social Security		5,890	
Pensions		7,262	
Employee and Dependent Insurance		14,873	
Life Insurance		460	
Unemployment Compensation		112	
Other Fringe Benefits		4,760	
Contributions		76,821	
Workers' Compensation Insurance		101	
Total Libraries			159,740

Parks and Fair Boards

County Official/Administrative Officer	\$	51,196	
Supervisor/Director		29,886	
Foremen		35,955	
Laborers		97,474	
Secretary(ies)		33,510	
Temporary Personnel		48,017	
Overtime Pay		2,494	
Social Security		21,168	
Pensions		24,710	
Employee and Dependent Insurance		46,024	
Life Insurance		1,827	
Unemployment Compensation		849	
Other Fringe Benefits		13,440	
Communication		9,476	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Contributions	\$	6,113	
Dues and Memberships		730	
Maintenance and Repair Services - Buildings		29,471	
Maintenance and Repair Services - Equipment		4,909	
Maintenance and Repair Services - Office Equipment		139	
Maintenance and Repair Services - Vehicles		5,538	
Pest Control		1,153	
Postal Charges		150	
Travel		3,094	
Custodial Supplies		6,823	
Fertilizer, Lime, and Seed		13,876	
Gasoline		7,671	
Office Supplies		4,269	
Utilities		80,062	
Other Supplies and Materials		13,586	
Refunds		12,345	
Vehicle and Equipment Insurance		4,542	
Workers' Compensation Insurance		9,592	
Other Charges		7,960	
Building Improvements		23,162	
Heating and Air Conditioning Equipment		3,268	
Maintenance Equipment		5,133	
Motor Vehicles		23,250	
Total Parks and Fair Boards			\$ 682,862

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	130,421	
Social Security		930	
Communication		11,312	
Licenses		1,159	
Travel		728	
Custodial Supplies		1,052	
Total Agricultural Extension Service			145,602

Soil Conservation

Secretary(ies)	\$	27,485	
Social Security		1,768	
Pensions		3,092	
Employee and Dependent Insurance		11,539	
Life Insurance		219	
Unemployment Compensation		56	
Other Fringe Benefits		3,360	
Workers' Compensation Insurance		54	
Total Soil Conservation			47,573

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations

Industrial Development

Other Contracted Services	\$	50,000	
Other Charges		28,064	
Total Industrial Development			\$ 78,064

Veterans' Services

Other Salaries and Wages	\$	15,718	
Social Security		1,025	
Unemployment Compensation		56	
Communication		2,928	
Data Processing Services		449	
Dues and Memberships		60	
Postal Charges		1,346	
Rentals		730	
Travel		356	
Workers' Compensation Insurance		27	
Office Equipment		1,645	
Total Veterans' Services			24,340

Contributions to Other Agencies

Contributions	\$	37,442	
Remittance of Revenue Collected		6,221	
Total Contributions to Other Agencies			43,663

COVID-19 Grant #2

Other Charges	\$	72,137	
Total COVID-19 Grant #2			72,137

COVID-19 Grant #3

Other Charges	\$	840	
Total COVID-19 Grant #3			840

Miscellaneous

Dues and Memberships	\$	50,000	
Building and Contents Insurance		78,157	
Liability Insurance		85,266	
Trustee's Commission		159,467	
Other Charges		15,040	
Total Miscellaneous			387,930

Principal on Debt

General Government

Principal on Capital Leases	\$	6,586	
Total General Government			6,586

Interest on Debt

General Government

Interest on Capital Leases	\$	971	
Total General Government			971

Total General Fund \$ 11,585,136

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	21,675	
Equipment Operators		100,528	
Secretary(ies)		33,773	
Part-time Personnel		2,320	
Overtime Pay		1,722	
Employee and Dependent Insurance		160	
Life Insurance		825	
Unemployment Compensation		462	
Other Fringe Benefits		4,620	
Communication		120	
Data Processing Services		31,548	
Legal Notices, Recording, and Court Costs		188	
Maintenance and Repair Services - Equipment		848	
Maintenance and Repair Services - Office Equipment		120	
Postal Charges		15,932	
Printing, Stationery, and Forms		1,130	
Crushed Stone		939	
Diesel Fuel		30,058	
Electricity		5,632	
Equipment and Machinery Parts		39,255	
Gasoline		7,822	
Instructional Supplies and Materials		10,742	
Lubricants		1,271	
Office Supplies		49	
Tires and Tubes		16,607	
Other Supplies and Materials		4,410	
Liability Insurance		760	
Other Charges		434	
Maintenance Equipment		13,042	
Total Waste Pickup			\$ 346,992

Other Operations

Other Charges

Building and Contents Insurance	\$	18	
Trustee's Commission		6,605	
Vehicle and Equipment Insurance		6,670	
Workers' Compensation Insurance		7,699	
Total Other Charges			20,992

Employee Benefits

Social Security	\$	12,537	
Pensions		12,350	
Employee and Dependent Insurance		30,956	
Unemployment Compensation		3	
Total Employee Benefits			55,846

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 44,800	
Total General Government		\$ 44,800

Interest on Debt

General Government

Interest on Capital Leases	\$ 9,928	
Total General Government		<u>9,928</u>

Total Solid Waste/Sanitation Fund		\$ 478,558
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Drug Control Fund

Public Safety

Drug Enforcement

Tuition	\$ 1,650	
Gasoline	688	
Law Enforcement Supplies	10,527	
Trustee's Commission	108	
Law Enforcement Equipment	7,154	
Motor Vehicles	<u>6,663</u>	
Total Drug Enforcement		<u>\$ 26,790</u>

Total Drug Control Fund		26,790
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Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 205,055	
Total County Trustee's Office		<u>\$ 205,055</u>

Total Constitutional Officers - Fees Fund		205,055
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 81,368
Accountants/Bookkeepers	56,326
Longevity Pay	420
Board and Committee Members Fees	13,200
Communication	8,540
Data Processing Services	10,085
Dues and Memberships	3,950
Legal Notices, Recording, and Court Costs	1,653
Maintenance and Repair Services - Office Equipment	574
Postal Charges	440
Printing, Stationery, and Forms	50
Travel	1,280
Drugs and Medical Supplies	490

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Electricity	\$	11,097	
Office Supplies		1,295	
Other Charges		3,174	
Total Administration			\$ 193,942

Highway and Bridge Maintenance

Laborers	\$	500,288	
Asphalt - Hot Mix		389,270	
Asphalt - Liquid		369,640	
Crushed Stone		202,002	
Fertilizer, Lime, and Seed		84,826	
Other Road Materials		11,770	
Pipe		86,299	
Road Signs		1,480	
Wood Products		9,903	
Total Highway and Bridge Maintenance			1,655,478

Operation and Maintenance of Equipment

Laborers	\$	89,685	
Diesel Fuel		164,186	
Equipment and Machinery Parts		128,893	
Gasoline		85,116	
Lubricants		12,403	
Tires and Tubes		32,197	
Total Operation and Maintenance of Equipment			512,480

Other Charges

Liability Insurance	\$	4,882	
Premiums on Corporate Surety Bonds		497	
Trustee's Commission		35,967	
Vehicle and Equipment Insurance		37,391	
Workers' Compensation Insurance		31,502	
Total Other Charges			110,239

Employee Benefits

Social Security	\$	54,478	
Pensions		70,855	
Employee and Dependent Insurance		155,290	
Unemployment Compensation		479	
Other Fringe Benefits		2,046	
Total Employee Benefits			283,148

Capital Outlay

Engineering Services	\$	65,999	
Bridge Construction		3,650	
Highway Equipment		301,909	
State Aid Projects		977,317	
Other Capital Outlay		232	
Total Capital Outlay			1,349,107

Total Highway/Public Works Fund \$ 4,104,394

(Continued)

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,077,451	
Principal on Notes	37,000	
Total General Government		\$ 1,114,451

Education

Principal on Bonds	\$ 100,000	
Principal on Capital Leases	111,954	
Principal on Other Loans	388,142	
Total Education		600,096

Interest on Debt

General Government

Interest on Bonds	\$ 283,562	
Interest on Notes	4,850	
Total General Government		288,412

Education

Interest on Bonds	\$ 83,555	
Interest on Capital Leases	6,818	
Interest on Other Loans	28,714	
Total Education		119,087

Other Debt Service

General Government

Trustee's Commission	\$ 24,055	
Underwriter's Discount	35,581	
Other Debt Issuance Charges	77,256	
Total General Government		136,892

Total General Debt Service Fund \$ 2,258,938

General Capital Projects Fund

Capital Projects

Public Safety Projects

Contracts with Private Agencies	\$ 6,000	
Total Public Safety Projects		\$ 6,000

Other General Government Projects

Building Construction	\$ 1,510,819	
Total Other General Government Projects		1,510,819

Total General Capital Projects Fund 1,516,819

Community Development/Industrial Park Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Motor Vehicles	\$ 345,430	
Total Ambulance/Emergency Medical Services		\$ 345,430

(Continued)

Exhibit K-7

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

<u>Community Development/Industrial Park Fund (Cont.)</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Contracts with Private Agencies	\$	40,000	
Engineering Services		<u>17,543</u>	
Total Public Safety Projects			<u>\$ 57,543</u>
Total Community Development/Industrial Park Fund			\$ 402,973
<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>186,310</u>	
Total Education Capital Projects			<u>\$ 186,310</u>
Total Education Capital Projects Fund			186,310
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Contributions	\$	<u>37,000</u>	
Total Public Safety Projects			<u>\$ 37,000</u>
Total Other Capital Projects Fund			<u>37,000</u>
Total Governmental Funds - Primary Government			<u><u>\$ 20,801,973</u></u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,196,858	
Career Ladder Program	24,835	
Educational Assistants	746,759	
Other Salaries and Wages	54,428	
Certified Substitute Teachers	69,849	
Non-certified Substitute Teachers	54,752	
Social Security	464,129	
Pensions	718,232	
Life Insurance	5,820	
Medical Insurance	1,187,376	
Dental Insurance	39,315	
Employer Medicare	109,743	
Travel	2,048	
Other Contracted Services	152,472	
Instructional Supplies and Materials	102,699	
Textbooks - Bound	176,915	
Other Supplies and Materials	21,514	
Other Charges	6,556	
Total Regular Instruction Program		\$ 11,134,300

Alternative Instruction Program

Teachers	\$ 257,271	
Other Salaries and Wages	66,695	
Certified Substitute Teachers	595	
Non-certified Substitute Teachers	2,013	
Social Security	18,393	
Pensions	30,641	
Medical Insurance	61,732	
Dental Insurance	1,679	
Employer Medicare	4,307	
Total Alternative Instruction Program		443,326

Special Education Program

Teachers	\$ 1,230,773
Career Ladder Program	3,000
Homebound Teachers	29,173
Educational Assistants	58,676
Speech Pathologist	61,975
Other Salaries and Wages	4,508
Certified Substitute Teachers	3,360
Non-certified Substitute Teachers	7,751
Social Security	78,728
Pensions	134,773
Medical Insurance	241,526
Dental Insurance	7,718
Employer Medicare	18,459

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Contracted Services	\$	8,818	
Instructional Supplies and Materials		2,645	
Other Supplies and Materials		2,224	
Other Charges		500	
Special Education Equipment		5,120	
Total Special Education Program			\$ 1,899,727

Career and Technical Education Program

Teachers	\$	515,380	
Certified Substitute Teachers		1,085	
Non-certified Substitute Teachers		4,548	
Social Security		30,124	
Pensions		49,760	
Medical Insurance		66,845	
Dental Insurance		2,759	
Employer Medicare		7,058	
Maintenance and Repair Services - Equipment		3,397	
Other Contracted Services		4,078	
Instructional Supplies and Materials		6,398	
T&I Construction Materials		3,270	
Textbooks - Bound		6,980	
Other Supplies and Materials		466	
Other Charges		2,865	
Vocational Instruction Equipment		52,483	
Total Career and Technical Education Program			757,496

Support Services

Attendance

Supervisor/Director	\$	69,612	
Career Ladder Program		1,000	
Social Security		4,031	
Pensions		7,506	
Medical Insurance		14,664	
Dental Insurance		625	
Employer Medicare		943	
Other Contracted Services		19,694	
Other Supplies and Materials		968	
In Service/Staff Development		1,863	
Total Attendance			120,906

Health Services

Supervisor/Director	\$	56,572	
Career Ladder Program		2,000	
Medical Personnel		109,342	
Social Security		10,123	
Pensions		17,472	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	8,192	
Dental Insurance		578	
Employer Medicare		2,368	
Travel		2,769	
Other Contracted Services		7,277	
Drugs and Medical Supplies		2,857	
Other Supplies and Materials		6,380	
In Service/Staff Development		5,744	
Total Health Services			\$ 231,674

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		367,103	
Attendants		2,250	
Other Salaries and Wages		40,204	
Social Security		23,110	
Pensions		36,205	
Medical Insurance		65,240	
Dental Insurance		1,719	
Employer Medicare		5,487	
Contracts with Government Agencies		207,094	
Contracts with Other School Systems		45,430	
Travel		3,672	
Other Supplies and Materials		3,807	
In Service/Staff Development		7,271	
Other Charges		40,014	
Total Other Student Support			849,606

Regular Instruction Program

Supervisor/Director	\$	406,475	
Career Ladder Program		6,000	
Librarians		191,050	
Other Salaries and Wages		11,309	
Social Security		35,062	
Pensions		65,075	
Medical Insurance		108,268	
Dental Insurance		2,868	
Employer Medicare		8,200	
Travel		7,270	
Other Contracted Services		44,571	
Library Books/Media		14,481	
Other Supplies and Materials		4,000	
In Service/Staff Development		9,379	
Other Charges		549	
Other Equipment		1,595	
Total Regular Instruction Program			916,152

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Other Supplies and Materials	\$ 424	
Total Alternative Instruction Program		\$ 424

Special Education Program

Supervisor/Director	\$ 70,435	
Career Ladder Program	2,000	
Psychological Personnel	96,717	
Clerical Personnel	31,791	
Other Salaries and Wages	69,610	
Social Security	16,271	
Pensions	25,507	
Medical Insurance	15,390	
Dental Insurance	833	
Employer Medicare	3,805	
Travel	775	
Other Contracted Services	4,693	
Other Supplies and Materials	750	
In Service/Staff Development	8,715	
Total Special Education Program		347,292

Career and Technical Education Program

Supervisor/Director	\$ 63,846	
Secretary(ies)	36,917	
Other Salaries and Wages	158	
Social Security	6,083	
Pensions	10,494	
Medical Insurance	5,724	
Dental Insurance	295	
Employer Medicare	1,423	
Travel	202	
Other Supplies and Materials	1,559	
In Service/Staff Development	710	
Other Charges	630	
Total Career and Technical Education Program		128,041

Technology

Supervisor/Director	\$ 74,998
Data Processing Personnel	93,112
Other Salaries and Wages	4,000
Social Security	10,167
Pensions	14,758
Medical Insurance	15,371
Dental Insurance	218
Employer Medicare	2,378
Data Processing Services	6,217
Internet Connectivity	65,564

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Travel	\$	1,576	
Other Contracted Services		52,981	
Data Processing Supplies		7,849	
Software		23,605	
Other Supplies and Materials		564	
In Service/Staff Development		1,575	
Data Processing Equipment		16,257	
Other Equipment		29,348	
Total Technology			\$ 420,538

Other Programs

On-behalf Payments to OPEB	\$	42,283	
Total Other Programs			42,283

Board of Education

Secretary to Board	\$	3,714	
Board and Committee Members Fees		5,280	
Social Security		547	
Pensions		371	
Medical Insurance		450	
Unemployment Compensation		10,175	
Employer Medicare		128	
Audit Services		11,500	
Dues and Memberships		492	
Legal Services		20,016	
Postal Charges		1,105	
Travel		8,993	
Other Contracted Services		37,831	
Other Supplies and Materials		332	
Liability Insurance		31,355	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		149,312	
Workers' Compensation Insurance		134,961	
In Service/Staff Development		2,755	
Other Charges		5,541	
Total Board of Education			425,208

Director of Schools

County Official/Administrative Officer	\$	115,155	
Career Ladder Program		1,000	
Clerical Personnel		73,886	
Social Security		11,080	
Pensions		19,736	
Medical Insurance		26,503	
Dental Insurance		625	
Employer Medicare		2,591	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Communication	\$	6,576	
Dues and Memberships		1,053	
Postal Charges		4,409	
Travel		13,913	
Other Contracted Services		19,053	
Office Supplies		7,193	
In Service/Staff Development		723	
Other Charges		5,351	
Total Director of Schools			\$ 308,847

Office of the Principal

Principals	\$	365,610	
Career Ladder Program		2,000	
Accountants/Bookkeepers		116,238	
Assistant Principals		670,718	
Secretary(ies)		204,799	
Social Security		78,584	
Pensions		136,924	
Medical Insurance		193,644	
Dental Insurance		4,378	
Employer Medicare		18,378	
Communication		28,199	
Travel		1,364	
Other Contracted Services		48,695	
Other Supplies and Materials		188	
In Service/Staff Development		1,200	
Other Charges		331	
Total Office of the Principal			1,871,250

Fiscal Services

Supervisor/Director	\$	76,000	
Accountants/Bookkeepers		102,936	
Clerical Personnel		55,965	
Social Security		13,821	
Pensions		21,406	
Medical Insurance		24,028	
Employer Medicare		3,232	
Travel		25	
Other Contracted Services		27,233	
Data Processing Supplies		523	
Other Supplies and Materials		380	
Administration Equipment		365	
Total Fiscal Services			325,914

Operation of Plant

Other Contracted Services	\$	11,927	
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(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Electricity	\$	429,790	
Natural Gas		68,054	
Water and Sewer		89,269	
Boiler Insurance		7,167	
Building and Contents Insurance		130,576	
Other Charges		333	
Total Operation of Plant			\$ 737,116

Maintenance of Plant

Supervisor/Director	\$	91,472	
Maintenance Personnel		637,744	
Other Salaries and Wages		473	
Social Security		43,029	
Pensions		49,251	
Medical Insurance		101,862	
Dental Insurance		94	
Employer Medicare		10,063	
Maintenance and Repair Services - Buildings		50,769	
Maintenance and Repair Services - Equipment		53,888	
Other Contracted Services		108,178	
Other Supplies and Materials		76,375	
In Service/Staff Development		296	
Other Charges		48,602	
Administration Equipment		230	
Building Improvements		58,333	
Maintenance Equipment		10,233	
Motor Vehicles		66,402	
Total Maintenance of Plant			1,407,294

Transportation

Supervisor/Director	\$	71,234	
Mechanic(s)		123,166	
Bus Drivers		511,139	
Secretary(ies)		26,337	
Other Salaries and Wages		145,987	
Social Security		52,079	
Pensions		75,002	
Medical Insurance		33,082	
Dental Insurance		251	
Employer Medicare		12,493	
Communication		23,107	
Medical and Dental Services		9,370	
Other Contracted Services		48,926	
Diesel Fuel		85,620	
Gasoline		23,113	
Tires and Tubes		20,519	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle Parts	\$	120,284	
Other Supplies and Materials		49,182	
Vehicle and Equipment Insurance		40,315	
In Service/Staff Development		1,934	
Other Charges		10,787	
Administration Equipment		376	
Transportation Equipment		364,000	
Total Transportation			\$ 1,848,303

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	2,796	
Social Security		173	
Pensions		280	
Employer Medicare		41	
Other Supplies and Materials		26,322	
Total Community Services			29,612

Early Childhood Education

Supervisor/Director	\$	30,595	
Teachers		284,048	
Educational Assistants		106,847	
Certified Substitute Teachers		2,380	
Non-certified Substitute Teachers		1,100	
Social Security		23,831	
Pensions		43,158	
Medical Insurance		73,442	
Dental Insurance		1,397	
Employer Medicare		5,602	
Instructional Supplies and Materials		7,999	
Other Supplies and Materials		98	
In Service/Staff Development		2,952	
Other Charges		450	
Total Early Childhood Education			583,899

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	11,508	
Building and Contents Insurance		1,860	
Other Charges		10,670	
Building Improvements		421	
Total Regular Capital Outlay			24,459

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	316,305	
Total Education			316,305

Total General Purpose School Fund \$ 25,169,972

(Continued)

Exhibit K-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	280,059	
Educational Assistants		172,090	
Other Salaries and Wages		1,110	
Certified Substitute Teachers		175	
Non-certified Substitute Teachers		476	
Social Security		26,082	
Pensions		43,445	
Medical Insurance		55,162	
Dental Insurance		2,017	
Employer Medicare		6,102	
Other Contracted Services		189,475	
Instructional Supplies and Materials		42,931	
Other Supplies and Materials		11,710	
Regular Instruction Equipment		14,134	
Total Regular Instruction Program			\$ 844,968

Special Education Program

Teachers	\$	38,630	
Educational Assistants		396,852	
Social Security		24,906	
Pensions		37,477	
Medical Insurance		87,993	
Dental Insurance		295	
Employer Medicare		5,825	
Instructional Supplies and Materials		6,196	
Other Supplies and Materials		100	
Special Education Equipment		7,194	
Total Special Education Program			605,468

Career and Technical Education Program

Instructional Supplies and Materials	\$	3,883	
Other Supplies and Materials		1,007	
Vocational Instruction Equipment		42,928	
Total Career and Technical Education Program			47,818

Support Services

Other Student Support

Bus Drivers	\$	3,186	
Other Salaries and Wages		71,485	
Social Security		4,491	
Pensions		7,542	
Medical Insurance		5,724	
Dental Insurance		294	
Employer Medicare		1,050	
Travel		4,480	
Other Supplies and Materials		12,258	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

In Service/Staff Development	\$	40,785	
Other Charges		3,600	
Regular Instruction Equipment		2,964	
Total Other Student Support			\$ 157,859

Regular Instruction Program

Other Salaries and Wages	\$	232,387	
Social Security		10,726	
Pensions		21,012	
Medical Insurance		42,619	
Dental Insurance		849	
Employer Medicare		3,011	
Travel		525	
Other Contracted Services		109,577	
In Service/Staff Development		50,296	
Other Charges		396	
Total Regular Instruction Program			471,398

Special Education Program

Assessment Personnel	\$	54,000	
Social Security		3,222	
Pensions		5,740	
Medical Insurance		5,568	
Dental Insurance		295	
Employer Medicare		754	
Contracts with Private Agencies		15,203	
Travel		4,332	
Other Supplies and Materials		5,224	
In Service/Staff Development		10,732	
Total Special Education Program			105,070

Career and Technical Education Program

Travel	\$	912	
In Service/Staff Development		1,765	
Total Career and Technical Education Program			2,677

Operation of Plant

Other Supplies and Materials	\$	8,250	
Total Operation of Plant			8,250

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	40,150	
Teachers		126,410	
Clerical Personnel		2,996	
Educational Assistants		21,927	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Salaries and Wages	\$	25,042	
Social Security		13,193	
Pensions		20,594	
Medical Insurance		7,470	
Employer Medicare		3,085	
Travel		814	
Instructional Supplies and Materials		514	
Other Supplies and Materials		104	
In Service/Staff Development		4,349	
Other Charges		8,000	
Total Community Services			\$ 274,648

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	69,467	
Total Education			<u>69,467</u>

Total School Federal Projects Fund \$ 2,587,623

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	58,571	
Accountants/Bookkeepers		36,937	
Clerical Personnel		31,891	
Cafeteria Personnel		562,418	
Overtime Pay		1,989	
Other Salaries and Wages		35,943	
Social Security		43,130	
Pensions		71,919	
Medical Insurance		68,749	
Dental Insurance		294	
Employer Medicare		10,087	
Other Fringe Benefits		20,530	
Maintenance and Repair Services - Equipment		10,121	
Transportation - Other than Students		10,941	
Travel		2,251	
Other Contracted Services		11,741	
Food Preparation Supplies		82,449	
Food Supplies		749,850	
Office Supplies		3,816	
Uniforms		1,508	
USDA - Commodities		140,686	
Other Supplies and Materials		10,524	
In Service/Staff Development		2,543	
Other Charges		3,526	
Food Service Equipment		15,136	
Total Food Service			<u>\$ 1,987,550</u>

Total Central Cafeteria Fund 1,987,550

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Other Capital Outlay	\$	<u>94,575</u>	
Total Education Capital Projects			\$ <u>94,575</u>
 Total Education Capital Projects Fund			 \$ <u>94,575</u>
 Total Governmental Funds - Haywood County School Department			 \$ <u><u>29,839,720</u></u>

Exhibit K-9

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,714,062
Total Cash Receipts	<u>\$ 1,714,062</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,696,921
Trustee's Commission	17,141
Total Cash Disbursements	<u>\$ 1,714,062</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

Haywood County Mayor and
Board of County Commissioners
Haywood 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 Haywood County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 1, 2021. Our report includes a reference to other auditors who audited the financial statements of the Haywood County Utility District, as described in our report on Haywood County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain

deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2020-001.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2020-002, 2020-003(D), 2020-004, 2020-006, 2020-008, and 2020-009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Haywood 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2020-003(A-C), 2020-005, and 2020-007.

Haywood County's Responses to the Findings

Haywood County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Haywood 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 Haywood 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 1, 2021

JEM/yu



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Haywood 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 Haywood 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 Haywood 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 Haywood 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.

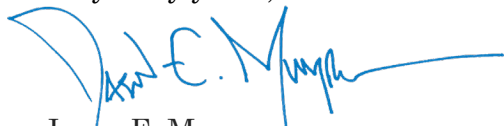
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Haywood County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements. We issued our report thereon dated February 1, 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 1, 2021

JEM/yu

Haywood County, Tennessee, and the Haywood County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (7)
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 Education:			
Child Nutrition Cluster: (3)			
School Breakfast Program	10.553	N/A	\$ 517,547 (5)
COVID 19 - School Breakfast Program	10.553	N/A	84,223 (5)
National School Lunch Program	10.555	N/A	1,087,147 (5)
COVID 19 - National School Lunch Program	10.555	N/A	133,991 (5)
Summer Food Service Program for Children	10.559	N/A	29,953
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	6,510
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	140,686 (5)
Direct Payment:			
Law Enforcement Agreements	10.704	N/A	25,000
Total U.S. Department of Agriculture			<u>\$ 2,025,057</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	14.228	(4)	\$ 1,837,837
Total U.S. Department of Housing and Urban Development			<u>\$ 1,837,837</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	\$ 10,305
Total U.S. Department of Justice			<u>\$ 10,305</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,225,935
Special Education Cluster: (3)			
Special Education - Grants to States	84.027	N/A	657,386 (5)
COVID 19 - Special Education - Grants to States	84.027	N/A	9,819 (5)
Special Education - Preschool Grants	84.173	N/A	43,333
Career and Technical Education - Basic Grants to States	84.048	N/A	70,492
Twenty-first Century Community Learning Centers	84.287	N/A	281,706
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	93,438
Rural Education	84.358	N/A	50,630
Supporting Effective Instruction State Grants	84.367	N/A	114,785
Student Support and Academic Enrichment Program	84.424	N/A	64,151
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	88,131
Passed-through Lauderdale County Board of Education:			
English Language Acquisition State Grants	84.365	N/A	8,472
Total U.S. Department of Education			<u>\$ 2,708,278</u>
U.S. Elections Assistance Commission:			
Passed through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401		\$ 1,732
COVID 19 - 2020 Supplemental Election Security Grants	90.404	N/A	840
Total U.S. Elections Assistance Commission			<u>\$ 2,572</u>

(Continued)

Haywood County, Tennessee, and the Haywood County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (7) (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 the Military:			
Assistance to Firefighters Grant	97.044	(4)	\$ 106,167
Total U.S. Department of Homeland Security			<u>\$ 106,167</u>
Total Expenditures of Federal Grants			<u>\$ 6,690,216</u>
<u>State Grants</u>			
Litter Grant - State Department of Transportation	N/A	(4)	\$ 54,747
Early Childhood Education - State Department of Education	N/A	(4)	598,862
Coordinated School Health - State Department of Education	N/A	(4)	90,000
Family Resource Center - State Department of Education	N/A	(4)	29,612
Connect TN - State Department of Education	N/A	(4)	4,191
Supporting Postsecondary Access in Rural Counties - State Department of Education	N/A	(4)	46,000
Middle School STEM Start-Up Grants - State Department of Education	N/A	(4)	10,000
School Resource Officer Grant - State Department of Education	N/A	(4)	35,000
Safe Schools - State Department of Education	N/A	(4)	61,281
Breakfast After the Bell - State Department of Education	N/A	(4)	<u>10,000</u>
Total State Grants			<u>\$ 939,693</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) Haywood county elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Child Nutrition Cluster total \$1,993,547; Special Education Cluster total \$710,538.
- (4) Information not available.
- (5) Total for CFDA No. 10.553 is \$601,770; Total for CFDA No. 10.555 is \$1,361,824; Total for CFDA No. 84.027 is \$667,205
- (6) For the year ended June 30, 2020, Haywood County received donated PPE valued at \$72,137 (\$54,103 federal and \$18,034 state) from the State Department of Military. These donations were unaudited.
- (7) No amounts (\$0) were passed-through to subrecipients.

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
OFFICE OF COUNTY MAYOR					
2019	210	2019-001	The Solid Waste Disposal Fund had a Deficit in Unrestricted Net Position	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	210	2019-002	County Officials did not Adequately Control Access to the Courthouse Offices	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	211	2019-003	The Office had Deficiencies in Budget Operations	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	213	2019-004	General Ledger Payroll Deduction Accounts were not Reconciled with Payroll Reports and Payments	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	213	2019-005	The Office did not File Reports on Debt Obligation with the State Comptrollers Office	N/A	Corrected
2019	214	2019-006	An Interfund Loan was not Authorized in Accordance with State Statute	N/A	Not Corrected - See Explanation on Corrective Action Plan
2019	214	2019-007	The County's Audit Committee is not a Functioning Committee	N/A	Corrected

Prior-year Federal Awards Findings

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

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

Federal Awards:

- | | |
|---|--|
| 4. Internal Control Over Major Federal Programs: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NONE REPORTED |
| 5. Type of report auditor issued on compliance for major programs. | UNMODIFIED |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | NO |
| 7. Identification of Major Federal Programs: | |
| * CFDA Numbers 14.228 | Community Development Block Grants/State's Program |
| 8. Dollar threshold used to distinguish between Type A and Type B Programs. | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | YES |

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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 plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY MAYOR

FINDING 2020-001

THE GENERAL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

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

At June 30, 2020, certain general ledger account balances in the General Fund were not materially correct, and audit adjustments totaling \$878,633 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Haywood County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Haywood County should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding. We will work to ensure that all year-end accruals are properly posted to the accounting records. It is my understanding from conversations with the auditor that there are no missing funds or malfeasance on the part of the Mayor's Office or his personnel. The budget director was under the impression that he could make the end of the year adjustments of accounts receivables (\$448,821) and accounts payables (\$317,210) after the close of the books. This is the first full year of the new budget director. Since the budget director failed to incorporate the above mentioned accrued amounts, other entries, possibly not material, were likewise adjudged.

AUDITOR'S COMMENT

End of the year adjustments of accounts receivable and accounts payable should be posted to the accounting records during the closing process prior to closing the books.

FINDING 2020-002

THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION AT JUNE 30, 2020
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Solid Waste Disposal Fund had a deficit in unrestricted net position of \$969,288 at June 30, 2020. This deficit resulted from the recognition of a liability totaling \$1,720,154 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior-year audit reports and failed to provide adequate financing to fund the liability.

RECOMMENDATION

County officials should develop and implement a plan that would fund the deficit in unrestricted net position.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding. The liability for costs associated with closing the Haywood County Landfill in 1998 and monitoring the landfill for 30 years after its closure will be complete at the end of the postclosure term in 2028. In the event of a problem arising from the closed landfill, the county will use all available funds to correct the problem.

FINDING 2020-003

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS
(A. through C. – Noncompliance Under *Government Auditing Standards*; D. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures. In addition, the deficiencies are the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

- A. Expenditures exceeded total appropriations approved by the county commission in the Solid Waste/Sanitation and the Drug Control funds by \$12,860 and \$18,790, respectively.

- B. Expenditures exceeded appropriations approved by the county commission in seven of 44 major appropriation categories (the legal level of control) in the General Fund and in two of five major appropriation categories in the General Debt Service Fund as reflected in the following table:

Fund/Major Appropriation Category	Amount Overspent
General:	
General Government - County Attorney	\$ 13,770
Finance - County Trustee's Office	8,948
Finance - County Clerk's Office	9,875
Administration of Justice - Juvenile Court	9,619
Public Safety - Rescue Squad	4,800
Public Safety - Other Public Safety	38,584
Public Health and Welfare - Appropriation to State	26,352
General Debt Service:	
Principal on Debt - Education	5,023
Interest on Debt - Education	4,749

- C. Salaries exceeded appropriations in three of 103 salary line-items in the General Fund by amounts ranging from \$200 to \$20,845. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county will not exceed appropriations that accompany the resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.
- D. The budget and subsequent amendments approved by the county commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$7,891. Sound budgetary principles dictate that appropriations be held within estimated available funding.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission. Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding in part. The errors made were human errors and not a result of a lack of management oversight. The errors were also the result of a lack of proper safeguards

by accounting personnel to detect human error, and since I am their supervisor, the buck stops with me. We do not concur that management failed to take responsibility for the accounting records but employed the same accounting system for over 20 years.

Under the present computer program, there are few safeguards to detect human error. Haywood County will implement a newer computer system during February and March 2021, and personnel will be trained.

The county will ensure budget amendments are made before overspending occurs in the future, and that amendments will not be submitted to the county commission that exceed estimated available funding. It is my understanding that the adjustments made by auditors due to failing to close the books properly (see Finding 2020-001) and our failure to list the proper account numbers on the budget amendments (though the intent of the county commission to authorize the expenditures is reflective) caused auditors to reverse the entries creating some of the deficiencies.

Please note some of the major expenditures had to be paid immediately, and there was not sufficient time to have a budget committee or county commission meeting prior to payment.

The salary appropriations cumulatively were sufficient, but not in the proper accounts. The transfer of a part-time employee to full-time employment resulted in an overpayment of the full-time account.

AUDITOR'S COMMENT

Management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. Management should ensure accounts payable are properly posted during the closing process when requesting year-end budget amendments to ensure that all expenditures are within appropriations approved by the county commission. The auditor made some corrections to the final budget to agree with the original budget plus any amendments approved by the county commission to properly present the financial statements in this report.

FINDING 2020-004

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies exist due to a lack of management oversight, a lack of understanding of internal controls, and the failure of management to take responsibility for the accounting records. Also, these deficiencies exist because management failed to correct the finding noted in the prior-year audit report and failed to implement their corrective action plan.

- A. Accounts receivables and payables were not recorded in the accounting records of the General, Solid Waste/Sanitation, Drug Control, General Debt Service, and Solid Waste Disposal funds at June 30, 2020. Sound business practices dictate that all receivables and payables should be determined and posted to

the accounting records prior to closing the records at year-end. Additional audit procedures were performed to properly determine receivables and payables at June 30, 2020. We presented audit adjustments to management that they approved and posted to properly present receivables and payables in the financial statements in this report.

- B. General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General, Solid Waste/Sanitation, and Solid Waste Disposal funds. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allows errors to remain undiscovered and uncorrected.
- C. The Education Capital Projects Fund had a cash overdraft of \$385 at June 30, 2020. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. Sound business practices dictate that disbursements be held within available cash.

RECOMMENDATION

Receivables and payables should be properly determined and recorded in the accounting records during year-end closing. General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly. The office should not issue checks exceeding cash on deposit with the county trustee.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding. Accounts receivables and payables will be posted to the accounting records after year-end. The county will monitor payroll withholding accounts in the future, and cash balances will be monitored more closely.

FINDING 2020-005

FUNDS WERE TRANSFERRED WITHOUT COUNTY COMMISSION APPROVAL

(Noncompliance Under *Government Auditing Standards*)

During the year, the General and General Capital Projects funds transferred \$54,677 and \$20,000, respectively, to the Community Development/Industrial Park Fund, and the General Debt Service Fund transferred \$52,000 to the primary government's Education Capital Projects Fund without the approval of the county commission. Section 5-9-401, *Tennessee Code Annotated*, provides that "all funds from whatever source derived, including, but not limited to, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." These funds were transferred by management to provide funding for the 2019-20 budget year and to prevent cash overdrafts. These amounts have been reflected in the financial statements of this report as Due from Other Funds in the General, General Debt Service and General Capital Projects funds and as Due to Other Funds in the Community Development/Industrial Park and Education Capital Projects funds at June 30, 2020.

RECOMMENDATION

All transfers between funds should be approved by the county commission.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding. Approval from the county commission will be obtained before interfund transfers are made in the future. There were not sufficient funds to pay the approved expenditures in any one capital account. The purchase of a school bus and the final payment of improvements on the school system were paid from the transfer of funds from one capital improvement account to another account to accumulate sufficient funds in the receiving account to pay the indebtedness. The accounting transaction was by journal entry only. The budget director nor I knew subsequent approval by the commission was necessary. This mistake shall not occur again.

AUDITOR’S COMMENT

Prior approval by the county commission is required before interfund transfers are made.

FINDING 2020-006

THE COMMUNITY DEVELOPMENT/INDUSTRIAL PARK AND EDUCATION CAPITAL PROJECTS FUNDS HAD DEFICITS IN UNASSIGNED FUND BALANCES AT JUNE 30, 2020

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

The Community Development/Industrial Park and Education Capital Projects funds had deficits in unassigned fund balances of \$58,958 and \$92,250, respectively, at June 30, 2020. The deficit in the Community Development/Industrial Park Fund resulted from the recognition of a \$74,677 liability for interfund transfers that were not approved by the county commission, as noted in Finding 2020-005. The deficit in the Education Capital Projects Fund resulted from a contribution of restricted funds to the General Purpose School Fund for an unallowable purpose. The funds are restricted to be spent on capital improvements to school buildings; however, the contribution was for the purchase of a school bus. This deficiency exists due to a lack of management oversight and financial difficulties at the county.

RECOMMENDATION

Management should liquidate the deficits in unassigned fund balances in the Community Development/Industrial Park and Education Capital Projects funds.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding. Management will monitor fund balances in order to prevent the deficits from occurring. It is my understanding that this finding is due to an adjustment of the beginning balance from the prior year.

AUDITOR'S COMMENT

No adjustments were made to the beginning balances of the Community Development/Industrial Park or Education Capital Projects funds.

FINDING 2020-007

AN INTERFUND LOAN WAS NOT AUTHORIZED IN ACCORDANCE WITH STATE STATUTE
(Noncompliance Under *Government Auditing Standards*)

During March 2020, the General Fund transferred \$10,000 to the Joint Venture Fund to provide cash flow for operations of the Joint Venture Fund. This transfer was in effect an interfund loan that was not approved by the county commission and the state Comptroller's Office as required by Section 9-21-408, *Tennessee Code Annotated*. The loan was repaid on June 24, 2020. This deficiency was the result of a lack of management oversight, management's failure to follow state statute, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

Interfund loans should be properly issued in accordance with state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding. Management will ensure that the county commission and state Comptroller's Office approve any future interfund loans. This occurred as a result of the receipt of grant funds being late from the state to the county. Conversations with representatives of the Comptroller's Office were had contemporaneous with the transaction. The budget director sought direction from the Comptroller's Office and believed we were in compliance.

AUDITOR'S COMMENT

The auditor advised the budget director that the county commission could approve a transfer from the General Fund to the Joint Venture Fund, but that an interfund loan would require approval from both the county commission and the state Comptroller's Office.

FINDING 2020-008

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 78 disbursements totaling \$960,497 from a population of 3,320 vendor checks totaling \$9,596,148. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and a lack of understanding of internal controls and sound business practices.

- A. In 19 of 76 applicable instances, the office was unable to present any documentation to support the purchases. Sound business practices dictate that proper documentation should be on file to support all purchases. The failure to maintain adequate documentation increases the risks of unauthorized purchases.
- B. In nine of 61 applicable instances, purchases were coded to accounts that did not reflect the true nature of the expenditures. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.

RECOMMENDATION

Adequate documentation should be maintained to support all disbursements and should be on file for audit inspection. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding and will work to ensure that all purchases are supported by the proper documentation and are coded to the correct accounts.

FINDING 2020-009

COUNTY OFFICIALS DID NOT ADEQUATELY CONTROL ACCESS TO THE COURTHOUSE OFFICES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination disclosed that county officials did not adequately control access to the courthouse offices. One key will open multiple doors in the courthouse: at least one exterior door to the courthouse, a conference room, and the Offices of the Trustee, County Mayor, and Budget Director. Individuals who are not office employees could potentially enter one of the offices unsupervised. Sound business practices dictate that unsupervised access to offices weakens internal controls over assets. This deficiency is the result of management’s decision, management’s failure to correct the finding noted in the prior-year audit report, and management’s failure to implement their corrective action plan.

RECOMMENDATION

County officials should control access to the courthouse offices.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding. Access to the courthouse offices will be better controlled in the future.

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.

Haywood 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 COUNTY MAYOR

2020-001	The General Fund Required Material Audit Adjustments For Proper Financial Statement Presentation	221
2020-002	The Solid Waste Disposal Fund Has A Deficit In Unrestricted Net Position	222
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HAYWOOD COUNTY

TELEPHONE (731) 772-1432



OFFICE OF
COUNTY MAYOR

COURTHOUSE

1 NORTH WASHINGTON • BROWNSVILLE, TN 38012

FINDING: 2020-001

THE GENERAL FUND REQUIRED MATERIAL AUDIT
ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT
PRESENTATION

Response and Corrective Action Plan Prepared by:

David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:

David Livingston, County Mayor

Anticipated Date of Corrective Action:

June 30, 2021

Repeat Finding:

No

Reason Corrective Action was not Taken in the Prior Year:

Not applicable

Planned Corrective Action:

The budget director will ensure that all year-end accruals are posted to the accounting records in order to prevent the necessity of material audit adjustments.

HAYWOOD COUNTY

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OFFICE OF
COUNTY MAYOR

COURTHOUSE
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FINDING:2020-002

THE SOLID WASTE DISPOSAL FUND HAS A DEFICIT IN UNRESTRICTED NET POSITION

Response and Corrective Action Plan Prepared by:
David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:
David Livingston, County Mayor

Anticipated Date of Corrective Action:
The liability for costs associated with closing the Haywood County landfill in 1998 and monitoring the landfill for 30 years after its closure will be completed at the end of the postclosure term of 2028.

Repeat Finding:
Yes

Reason Corrective Action was not Taken in the Prior Year:
Corrective action has not been taken in the prior years due to the lack of fund balance and revenue collections necessary to fund the deficit.

Planned Corrective Action:
In the event of a problem arising from the closed landfill, the county will use all available funds to correct the problem.

HAYWOOD COUNTY

TELEPHONE (731) 772-1432



OFFICE OF
COUNTY MAYOR

COURTHOUSE
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FINDING; 2020-003

THE OFFICE HAD DEFICIENCIES IN BUDGET
OPERATIONS

Response and Corrective Action Plan Prepared by:

David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:

David Livingston, County Mayor

Anticipated Date of Corrective Action:

June 30, 2021

Repeat Finding:

Yes

Reason Corrective Action was not Taken in the Prior Year:

The office attempted to better monitor budget operations in the current year. Unfortunately, an oversight allowed the finding to recur.

Planned Corrective Action:

The Mayor's Office will work with elected officials and department heads to ensure that departments request budget amendments in their major categories before spending exceeds appropriations approved by the county commission.

HAYWOOD COUNTY

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OFFICE OF
COUNTY MAYOR

COURTHOUSE
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FINDING:2020-004

THE OFFICE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:

David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:

David Livingston, County Mayor

Anticipated Date of Corrective Action:

June 30, 2021

Repeat Finding:

Part B of the finding is a repeat from the prior year.

Reason Corrective Action was not Taken in the Prior Year:

This finding is a reflection of the failure in numerous past years to reconcile certain accounts of withholding of employees, most of which are no longer employed by Haywood County. The amounts accumulated in these accounts were over a period in excess of thirty (30) years. The source of the funds are impossible to determine. The office attempted to correct Part B of the finding but failed to complete the reconciliation process by year-end.

Planned Corrective Action:

The budget director will set up accounts receivables and payables at year-end and will begin getting withholding accounts reconciled. Cash balances will be monitored more closely. Please note that Haywood County shall implement the newest version of the recommended computer system and train its personnel in the newest procedures regarding the new accounting system. As a result of these audit findings and recognized account deficiencies, I have asked a committee to review all accounting procedures and made needed recommendations for change in those procedures for implementation to insure accuracy in accounting procedures in accordance with general accepted accounting practices.

HAYWOOD COUNTY

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OFFICE OF
COUNTY MAYOR

COURTHOUSE
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FINDING: 2020-005

FUNDS WERE TRANSFERRED WITHOUT COUNTY
COMMISSION APPROVAL

Response and Corrective Action Plan Prepared by:

David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:

David Livingston, County Mayor

Anticipated Date of Corrective Action:

June 30, 2021

Repeat Finding:

No

Reason Corrective Action was not Taken in the Prior Year:

N/A

Planned Corrective Action:

Approval from the County Commission will be obtained before inter-fund transfers are made. Please see explanation in management's response.

HAYWOOD COUNTY

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OFFICE OF
COUNTY MAYOR

COURTHOUSE
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FINDING:2020-006

THE COMMUNITY DEVELOPMENT/INDUSTRIAL PARK
AND EDUCATION CAPITAL PROJECTS FUNDS HAD
DEFICITS IN UNASSIGNED FUND BALANCES AT JUNE
30, 2020

Response and Corrective Action Plan Prepared by:
David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:
David Livingston, County Mayor

Anticipated Date of Corrective Action:
June 30, 2021

Repeat Finding:
No

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

Planned Corrective Action:

The deficits will be liquidated, and fund balances will be monitored closely.

HAYWOOD COUNTY

TELEPHONE (731) 772-1432



OFFICE OF
COUNTY MAYOR

COURTHOUSE
1 NORTH WASHINGTON • BROWNSVILLE, TN 38012

FINDING: 2020-007

AN INTER-FUND LOAN WAS NOT AUTHORIZED IN
ACCORDANCE WITH STATE STATUTES

Response and Corrective Action Plan Prepared by:

David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:

David Livingston, County Mayor

Anticipated Date of Corrective Action:

June 30, 2021

Repeat Finding:

Yes

Reason Corrective Action was not Taken in the Prior Year:

The office failed to seek the proper approvals during the current year.

Planned Corrective Action:

The office will ensure that any future inter-fund loans are approved by the county commission and the State Comptroller's Office. Please see explanation in Management's response.

HAYWOOD COUNTY

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OFFICE OF
COUNTY MAYOR

COURTHOUSE
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FINDING: 2020-008

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

Response and Corrective Action Plan Prepared by:

David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:

David Livingston, County Mayor

Anticipated Date of Corrective Action:

June 30, 2021

Repeat Finding:

No

Reason Corrective Action was not Taken in the Prior Year:

N/A

Planned Corrective Action:

The budget director will ensure that all disbursements are supported by proper documentation before payment is made, and that the disbursement is coded to the correct account.

HAYWOOD COUNTY

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OFFICE OF
COUNTY MAYOR

COURTHOUSE
1 NORTH WASHINGTON • BROWNSVILLE, TN 38012

FINDING:2020-009

COUNTY OFFICIALS DID NOT ADEQUATELY CONTROL
ACCESS TO THE COURTHOUSE OFFICES

Response and Corrective Action Plan Prepared by:

David Livingston, County Mayor

Person Responsible for Implementing the Corrective Action:

David Livingston, County Mayor

Anticipated Date of Corrective Action:

June 30, 2021

Repeat Finding:

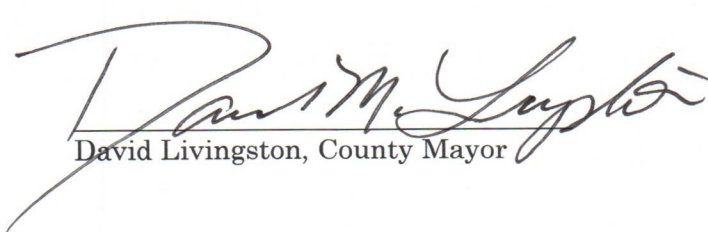
Yes

Reason Corrective Action was not Taken in the Prior Year:

The office failed to have the locks in the courthouse doors changed during the prior year as recommended by state auditors.

Planned Corrective Action:

The Mayor's Office will request the funds to change the locks at the courthouse to correct this finding and proceed as directed by the county commission, and /or is explore the proper method to secure the courthouse from authorized persons.


David Livingston, County Mayor

02/01/2021

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 Haywood County.

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

Haywood 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. 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.