

ANNUAL FINANCIAL REPORT
MACON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following is a summary of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ Material audit adjustments were required for proper financial statement presentation.

OFFICE OF SHERIFF

- ◆ Deficiencies were noted in the accrual of and payment for compensatory leave.

INTRODUCTORY SECTION

Macon County Officials
June 30, 2020

Officials

Steve Jones, County Mayor
Audie Cook, Supervisor of Roads
Tony Boles, Director of Schools
Kim Parks, Trustee
Rick Shoulders, Assessor of Property
Connie Blackwell, County Clerk
Rick Gann, Circuit, General Sessions, and Juvenile Courts Clerk
Kristin Reid, Clerk and Master
Cynthia Jones, Register of Deeds
Mark Gammons, Sheriff

Board of County Commissioners

Steve Jones, County Mayor, Chairman	
Larry West	Tony Wix
Michael Slayton	Justin Dyer
Kenneth Witte	Scott Cothron
Jeff Hughes	Barry King
Todd Gentry	Chad West
Phillip Snow	Helen Hesson
Mike Jenkins	Wendell Jones
Scott Gammons	Kyle Petty
Charles Porter	Benton Bartley
Michelle Phillips	Jarhea Wilmore

Purchasing Commission

Steve Jones, County Mayor
Connie Blackwell, County Clerk
Kristin Reid, Clerk and Master

Board of Education

Bryan Nichols, Chairman
Jed Goad
Wayne Marsh
Rebekah Tuttle
Jeff Harper

Audit Committee

Mike Prock, Chairman
Lonnie Stevens
Marty Coley
Bryan Carter

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of the school's proportionate share of the net pension liability (asset), and schedule of school's other postemployment benefits 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 Macon 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 Macon 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.

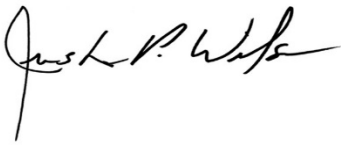
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Macon County School Department (a discretely presented component unit), schedule 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 Macon County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020 on our consideration of Macon 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 Macon 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 Macon County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 17, 2020

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Macon County School Department
<u>ASSETS</u>		
Cash	\$ 1,232	\$ 100
Equity in Pooled Cash and Investments	10,877,502	7,615,222
Accounts Receivable	1,645,911	29,711
Allowance for Uncollectibles	(998,162)	0
Due from Other Governments	428,559	694,084
Due from Component Units	1,100,443	0
Property Taxes Receivable	6,567,676	3,662,350
Allowance for Uncollectible Property Taxes	(394,171)	(219,803)
Net Pension Asset - Agent Plan	1,674,333	1,135,422
Net Pension Asset - Teacher Retirement Plan	0	133,064
Net Pension Asset - Teacher Legacy Pension Plan	0	3,931,434
Restricted Asset:		
Amounts Accumulated for Pension Benefits	0	120,396
Capital Assets:		
Assets Not Depreciated:		
Land	1,001,506	382,263
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	6,883,073	8,773,213
Infrastructure	20,240,315	0
Other Capital Assets	4,392,247	2,073,634
Total Assets	<u>\$ 53,420,464</u>	<u>\$ 28,331,090</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 81,200	\$ 251,994
Pension Changes in Assumptions	154,392	639,103
Pension Contributions After Measurement Date	385,659	1,681,162
Pension Changes in Proportion	0	119,073
OPEB Changes in Experience	0	204,049
OPEB Changes in Assumptions	0	78,534
OPEB Benefits Paid After Measurement Date	0	139,504
Total Deferred Outflows of Resources	<u>\$ 621,251</u>	<u>\$ 3,113,419</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 126,885
Accrued Interest Payable	138,067	0
Payroll Deductions Payable	15,041	93
Due to Primary Government	0	1,100,443
Due to Litigants, Heirs, and Others	647	0
Noncurrent Liabilities:		
Due Within One Year - Debt	1,044,071	0
Due Within One Year - Other	73,482	0
Due in More Than One Year - Debt	7,199,946	0
Due in More Than One Year - Other	463,554	3,693,345
Total Liabilities	<u>\$ 8,934,808</u>	<u>\$ 4,920,766</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Macon County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 5,955,211	\$ 3,320,819
Pension Changes in Experience	581,402	2,818,895
Pension Changes in Investment Earnings	177,952	1,249,588
Pension Changes in Proportion	0	11,987
OPEB Changes in Experience	0	205,507
OPEB Changes in Proportion	0	65,994
OPEB Changes in Assumptions	0	384,984
Total Deferred Inflows of Resources	<u>\$ 6,714,565</u>	<u>\$ 8,057,774</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 29,174,551	\$ 11,229,110
Restricted for:		
Debt Service	1,511,383	0
General Government	192,272	0
Finance	870	0
Administration of Justice	10,462	0
Public Safety	214,629	0
Social, Cultural, and Recreational Services	20,851	0
Highway/Public Works	893,833	0
Capital Projects	610,160	0
Pensions	1,674,333	5,320,316
Central Cafeteria	0	703,899
Education	0	94,620
Unrestricted	<u>4,088,998</u>	<u>1,118,024</u>
Total Net Position	<u>\$ 38,392,342</u>	<u>\$ 18,465,969</u>

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Macon County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,786,635	\$ 313,660	\$ 311,186	\$ 11,348	\$ (1,150,441)	\$ 0
Finance	1,287,901	719,556	7,383	0	(560,962)	0
Administration of Justice	1,117,392	581,575	9,000	0	(526,817)	0
Public Safety	4,000,369	903,672	457,181	0	(2,639,516)	0
Public Health and Welfare	3,365,993	1,414,269	311,227	0	(1,640,497)	0
Social, Cultural, and Recreational Services	425,844	72,491	0	0	(353,353)	0
Agriculture and Natural Resources	119,757	0	0	0	(119,757)	0
Highways	5,638,697	379	2,178,164	1,316,290	(2,143,864)	0
Interest on Long-term Debt	167,437	0	0	0	(167,437)	0
Total Primary Government	\$ 17,910,025	\$ 4,005,602	\$ 3,274,141	\$ 1,327,638	\$ (9,302,644)	\$ 0
Component Unit:						
Macon County School Department	\$ 36,436,804	\$ 358,910	\$ 4,364,999	\$ 37,705	\$ 0	\$ (31,675,190)
Total Component Unit	\$ 36,436,804	\$ 358,910	\$ 4,364,999	\$ 37,705	\$ 0	\$ (31,675,190)

(Continued)

Exhibit B

Macon 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 Total Governmental Activities	Component Unit Macon County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 6,204,438	\$ 3,463,837
Local Option Sales Tax					1,384,010	2,482,273
Hotel/Motel Tax					23,882	0
Wheel Tax					1,387,109	0
Litigation Tax					182,095	0
Business Tax					155,096	0
Mineral Severance Tax					235	0
Adequate Facilities/Development Tax					269,311	0
Wholesale Beer Tax					79,260	0
Grants and Contributions Not Restricted to Specific Programs					642,047	26,375,047
Unrestricted Investment Income					100,940	3,670
Gain on Sale of Capital Asset					67,517	0
Miscellaneous					70,658	50,630
Total General Revenues					\$ 10,566,598	\$ 32,375,457
Change in Net Position					\$ 1,263,954	\$ 700,267
Net Position, July 1, 2019					37,128,388	17,765,702
Net Position, June 30, 2020					\$ 38,392,342	\$ 18,465,969

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

Exhibit C-1

Macon 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	\$ 545	\$ 0	\$ 0	\$ 687	\$ 1,232
Equity in Pooled Cash and Investments	2,338,603	4,119,764	1,879,986	2,539,149	10,877,502
Accounts Receivable	1,645,851	0	0	60	1,645,911
Allowance for Uncollectibles	(998,162)	0	0	0	(998,162)
Due from Other Governments	52,282	321,716	54,561	0	428,559
Property Taxes Receivable	5,843,050	522,157	0	202,469	6,567,676
Allowance for Uncollectible Property Taxes	(350,681)	(31,338)	0	(12,152)	(394,171)
Total Assets	<u>\$ 8,531,488</u>	<u>\$ 4,932,299</u>	<u>\$ 1,934,547</u>	<u>\$ 2,730,213</u>	<u>\$ 18,128,547</u>
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 0	\$ 15,041	\$ 0	\$ 0	\$ 15,041
Due to Litigants, Heirs, and Others	0	0	0	647	647
Total Liabilities	<u>\$ 0</u>	<u>\$ 15,041</u>	<u>\$ 0</u>	<u>\$ 647</u>	<u>\$ 15,688</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,298,159	\$ 473,464	\$ 0	\$ 183,588	\$ 5,955,211
Deferred Delinquent Property Taxes	188,796	16,871	0	6,542	212,209
Other Deferred/Unavailable Revenue	301,698	157,338	0	0	459,036
Total Deferred Inflows of Resources	<u>\$ 5,788,653</u>	<u>\$ 647,673</u>	<u>\$ 0</u>	<u>\$ 190,130</u>	<u>\$ 6,626,456</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 192,272	\$ 0	\$ 0	\$ 0	\$ 192,272

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Finance	\$ 870	\$ 0	\$ 0	\$ 0	\$ 870
Restricted for Administration of Justice	10,462	0	0	0	10,462
Restricted for Public Safety	27,761	0	0	186,868	214,629
Restricted for Public Health and Welfare	0	0	0	83,060	83,060
Restricted for Social, Cultural, and Recreational Services	20,851	0	0	0	20,851
Restricted for Highways/Public Works	0	746,111	0	0	746,111
Restricted for Capital Outlay	0	3,523,474	0	277,510	3,800,984
Restricted for Debt Service	0	0	292,283	1,357,167	1,649,450
Restricted for Capital Projects	0	0	0	610,160	610,160
Committed:					
Committed for General Government	56,807	0	0	0	56,807
Committed for Debt Service	0	0	1,642,264	0	1,642,264
Assigned:					
Assigned for General Government	47,112	0	0	0	47,112
Assigned for Finance	3,192	0	0	0	3,192
Assigned for Administration of Justice	18,787	0	0	0	18,787
Assigned for Public Safety	39,540	0	0	17	39,557
Assigned for Public Health and Welfare	23,850	0	0	20,663	44,513
Assigned for Social, Cultural, and Recreational Services	3,850	0	0	0	3,850
Assigned for Other Operations	350	0	0	0	350
Assigned for Capital Projects	0	0	0	3,991	3,991
Unassigned	2,297,131	0	0	0	2,297,131
Total Fund Balances	<u>\$ 2,742,835</u>	<u>\$ 4,269,585</u>	<u>\$ 1,934,547</u>	<u>\$ 2,539,436</u>	<u>\$ 11,486,403</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,531,488</u>	<u>\$ 4,932,299</u>	<u>\$ 1,934,547</u>	<u>\$ 2,730,213</u>	<u>\$ 18,128,547</u>

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

Exhibit C-2

Macon 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)		\$ 11,486,403
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,001,506	
Add: buildings and improvements net of accumulated depreciation	6,883,073	
Add: infrastructure net of accumulated depreciation	20,240,315	
Add: other capital assets net of accumulated depreciation	<u>4,392,247</u>	32,517,141
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (8,244,017)	
Add: debt to be contributed by the school department	1,100,443	
Less: compensated absences payable	(307,310)	
Less: accrued interest on notes	(138,067)	
Less: landfill closure/postclosure care costs	<u>(229,726)</u>	(7,818,677)
(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	\$ 621,251	
Less: deferred inflows of resources related to pensions	<u>(759,354)</u>	(138,103)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,674,333
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>671,245</u>
Net position of governmental activities (Exhibit A)		<u>\$ 38,392,342</u>

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

Exhibit C-3

Macon 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	\$ 6,819,337	\$ 497,078	\$ 1,554,655	\$ 821,996	\$ 9,693,066
Licenses and Permits	186,497	0	0	0	186,497
Fines, Forfeitures, and Penalties	118,045	0	0	60,081	178,126
Charges for Current Services	1,489,879	0	0	165,629	1,655,508
Other Local Revenues	729,598	57,134	70	0	786,802
Fees Received From County Officials	1,114,153	0	0	0	1,114,153
State of Tennessee	863,760	2,221,423	711,516	26,719	3,823,418
Federal Government	390,193	91,668	0	11,348	493,209
Other Governments and Citizens Groups	0	0	301,956	0	301,956
Total Revenues	\$ 11,711,462	\$ 2,867,303	\$ 2,568,197	\$ 1,085,773	\$ 18,232,735
<u>Expenditures</u>					
Current:					
General Government	\$ 1,394,875	\$ 0	\$ 0	\$ 0	\$ 1,394,875
Finance	1,139,068	0	0	0	1,139,068
Administration of Justice	889,932	0	0	0	889,932
Public Safety	3,764,526	0	0	45,993	3,810,519
Public Health and Welfare	2,367,186	0	0	619,822	2,987,008
Social, Cultural, and Recreational Services	268,863	0	0	0	268,863
Agriculture and Natural Resources	113,008	0	0	0	113,008
Other Operations	1,347,535	0	0	13,708	1,361,243
Highways	0	5,381,432	0	0	5,381,432
Debt Service:					
Principal on Debt	0	160,329	1,763,436	0	1,923,765
Interest on Debt	0	21,168	36,552	0	57,720
Other Debt Service	0	0	7,934	0	7,934

(Continued)

Exhibit C-3

Macon 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	\$ 517,653	\$ 517,653
Total Expenditures	\$ 11,284,993	\$ 5,562,929	\$ 1,807,922	\$ 1,197,176	\$ 19,853,020
Excess (Deficiency) of Revenues Over Expenditures					
	\$ 426,469	\$ (2,695,626)	\$ 760,275	\$ (111,403)	\$ (1,620,285)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 6,000,000	\$ 0	\$ 460,500	\$ 6,460,500
Insurance Recovery	59,717	5,878	0	0	65,595
Transfers In	85,400	0	0	1,406,300	1,491,700
Transfers Out	(375,000)	(2,400)	(1,114,300)	0	(1,491,700)
Total Other Financing Sources (Uses)	\$ (229,883)	\$ 6,003,478	\$ (1,114,300)	\$ 1,866,800	\$ 6,526,095
Net Change in Fund Balances					
Fund Balance, July 1, 2019	\$ 2,546,249	\$ 961,733	\$ 2,288,572	\$ 784,039	\$ 6,580,593
Fund Balance, June 30, 2020	\$ 2,742,835	\$ 4,269,585	\$ 1,934,547	\$ 2,539,436	\$ 11,486,403

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

Exhibit C-4

Macon 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)		\$ 4,905,810
(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	\$ 1,921,203	
Less: current-year depreciation expense	<u>(2,052,918)</u>	(131,715)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: capital asset donations	\$ 1,197,563	
Add: gain on disposal of capital assets	67,517	
Less: loss on disposal of capital assets	(33,706)	
Less: insurance recovery and sale of capital assets	<u>(84,669)</u>	1,146,705
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$ (617,897)	
Add: deferred delinquent property taxes and other deferred June 30, 2020	<u>671,245</u>	53,348
(4) The issuance of long-term debt (e.g., notes) 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. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on notes	\$ 1,923,765	
Less: notes proceeds	(6,460,500)	
Less: contributions from the school department for principal on notes	<u>(292,515)</u>	(4,829,250)
(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 liability/asset	\$ 530,912	
Change in deferred outflows of resources related to pensions	(53,996)	
Change in deferred inflows of resources related to pensions	(261,212)	
Change in accrued interest payable	(109,717)	
Change in compensated absences payable	(11,077)	
Change in landfill closure/postclosure care costs	<u>24,146</u>	<u>119,056</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,263,954</u>

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

Exhibit C-5

Macon County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General 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	\$ 6,819,337	\$ 0	\$ 0	\$ 6,819,337	\$ 6,815,147	\$ 6,815,147	\$ 4,190
Licenses and Permits	186,497	0	0	186,497	155,500	155,500	30,997
Fines, Forfeitures, and Penalties	118,045	0	0	118,045	142,450	142,450	(24,405)
Charges for Current Services	1,489,879	0	0	1,489,879	1,396,875	1,480,467	9,412
Other Local Revenues	729,598	0	0	729,598	505,000	604,468	125,130
Fees Received From County Officials	1,114,153	0	0	1,114,153	1,069,000	1,069,000	45,153
State of Tennessee	863,760	0	0	863,760	957,500	1,018,178	(154,418)
Federal Government	390,193	0	0	390,193	20,000	476,468	(86,275)
Total Revenues	\$ 11,711,462	\$ 0	\$ 0	\$ 11,711,462	\$ 11,061,472	\$ 11,761,678	\$ (50,216)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 104,508	\$ (14,811)	\$ 677	\$ 90,374	\$ 132,348	\$ 127,348	\$ 36,974
Board of Equalization	2,000	0	0	2,000	2,500	2,500	500
Beer Board	98	0	0	98	850	850	752
Budget and Finance Committee	303	(1,607)	1,497	193	3,500	3,500	3,307
Other Boards and Committees	989	(657)	511	843	5,000	5,000	4,157
County Mayor/Executive	291,271	(5,548)	4,967	290,690	322,558	325,642	34,952
County Attorney	11,241	(3,316)	0	7,925	8,500	13,500	5,575
Election Commission	164,862	(3,820)	2,996	164,038	191,130	192,894	28,856
Register of Deeds	148,834	(94)	557	149,297	153,341	158,491	9,194
Development	11,954	(508)	11,308	22,754	77,000	77,000	54,246
Planning	68,847	(2,174)	1,219	67,892	87,250	87,250	19,358
Building	43,631	(2,380)	1,750	43,001	81,600	81,600	38,599
County Buildings	108,350	(1,668)	8,975	115,657	181,925	179,925	64,268
Other Facilities	395,758	(400)	10,925	406,283	412,186	452,706	46,423
Other General Administration	1,662	0	0	1,662	1,623	1,669	7
Preservation of Records	21,133	0	892	22,025	22,540	22,540	515
Risk Management	19,434	(650)	838	19,622	21,885	21,885	2,263

(Continued)

Exhibit C-5

Macon County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General 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>Finance</u>							
Central Services	\$ 413,479	\$ (35)	\$ 102	\$ 413,546	\$ 418,856	\$ 418,856	\$ 5,310
Property Assessor's Office	237,905	(155)	242	237,992	252,130	255,638	17,646
Reappraisal Program	1,773	0	782	2,555	12,100	12,100	9,545
County Trustee's Office	190,054	0	71	190,125	205,422	205,422	15,297
County Clerk's Office	295,857	(400)	1,993	297,450	311,448	311,448	13,998
<u>Administration of Justice</u>							
Circuit Court	401,628	(667)	17,156	418,117	401,796	443,308	25,191
General Sessions Court	120,188	0	0	120,188	120,342	120,342	154
Chancery Court	161,798	(634)	1,591	162,755	166,983	166,983	4,228
Juvenile Court	41,401	(266)	21	41,156	50,838	50,838	9,682
Judicial Commissioners	30,022	0	0	30,022	32,550	32,550	2,528
Other Administration of Justice	0	0	0	0	0	5,000	5,000
Probation Services	134,895	(390)	18	134,523	144,389	144,389	9,866
<u>Public Safety</u>							
Sheriff's Department	2,079,368	(1,002)	1,338	2,079,704	2,104,978	2,167,542	87,838
Administration of the Sexual Offender Registry	1,816	0	100	1,916	2,000	2,200	284
Jail	1,456,562	(2,071)	16,174	1,470,665	1,449,851	1,617,585	146,920
Workhouse	78,789	(173)	127	78,743	86,331	86,331	7,588
Fire Prevention and Control	4,093	(2,148)	2,280	4,225	10,500	10,500	6,275
Rural Fire Protection	45,900	0	0	45,900	50,000	50,000	4,100
Civil Defense	20,031	(5,159)	1,611	16,483	22,211	27,211	10,728
Rescue Squad	1,802	(772)	807	1,837	10,650	10,650	8,813
Disaster Relief	25,073	(1,225)	291	24,139	27,810	27,810	3,671
Other Emergency Management	16,890	(678)	733	16,945	18,800	20,179	3,234
County Coroner/Medical Examiner	12,125	(17,300)	14,875	9,700	35,250	35,250	25,550
Other Public Safety	22,077	(3,306)	1,201	19,972	30,960	32,015	12,043
<u>Public Health and Welfare</u>							
Local Health Center	31,080	(415)	1,053	31,718	40,300	40,300	8,582
Rabies and Animal Control	82,094	(2,085)	1,936	81,945	98,129	99,883	17,938

(Continued)

Exhibit C-5

Macon County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General 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>Public Health and Welfare (Cont.)</u>							
Ambulance/Emergency Medical Services	\$ 2,012,678	\$ (5,126)	\$ 20,068	\$ 2,027,620	\$ 2,065,287	\$ 2,162,798	\$ 135,178
Crippled Children Services	2,878	0	0	2,878	1,439	2,878	0
Other Local Health Services	138,825	0	0	138,825	190,640	190,640	51,815
Regional Mental Health Center	7,953	0	0	7,953	7,953	7,953	0
Appropriation to State	32,840	0	0	32,840	41,140	41,140	8,300
Other Local Welfare Services	58,838	0	800	59,638	59,723	59,723	85
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	6,000	0	0	6,000	6,000	6,000	0
Senior Citizens Assistance	15,000	0	0	15,000	15,000	15,000	0
Libraries	185,563	(1,574)	610	184,599	190,860	190,860	6,261
Parks and Fair Boards	46,500	(2,000)	2,625	47,125	21,625	49,125	2,000
Other Social, Cultural, and Recreational	15,800	(716)	614	15,698	20,000	20,000	4,302
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	56,182	0	0	56,182	77,629	77,629	21,447
Soil Conservation	56,826	0	0	56,826	56,833	56,833	7
<u>Other Operations</u>							
Tourism	2,580	(400)	200	2,380	4,000	4,000	1,620
Industrial Development	2,558	(412)	0	2,146	23,700	25,043	22,897
Veterans' Services	26,129	(157)	0	25,972	31,742	31,742	5,770
Other Charges	1,229,075	0	0	1,229,075	1,221,481	1,233,481	4,406
Contributions to Other Agencies	1,452	(150)	150	1,452	14,500	14,500	13,048
Employee Benefits	6,261	0	0	6,261	26,000	26,000	19,739
COVID-19 Grant #1	67,269	0	0	67,269	0	67,269	0
Miscellaneous	12,211	(2,033)	0	10,178	5,700	18,000	7,822
<u>Instruction</u>							
Other	0	0	0	0	7,000	0	0
<u>Support Services</u>							
Other Programs	0	0	0	0	5,300	0	0
Total Expenditures	\$ 11,284,993	\$ (89,082)	\$ 136,681	\$ 11,332,592	\$ 11,903,912	\$ 12,449,244	\$ 1,116,652

(Continued)

Exhibit C-5

Macon County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General 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	
Excess (Deficiency) of Revenues Over Expenditures	\$ 426,469	\$ 89,082	\$ (136,681)	\$ 378,870	\$ (842,440)	\$ (687,566)	\$ 1,066,436
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 59,717	\$ 0	\$ 0	\$ 59,717	\$ 0	\$ 59,717	\$ 0
Transfers In	85,400	0	0	85,400	200,000	285,400	(200,000)
Transfers Out	(375,000)	0	0	(375,000)	0	(375,000)	0
Total Other Financing Sources	\$ (229,883)	\$ 0	\$ 0	\$ (229,883)	\$ 200,000	\$ (29,883)	\$ (200,000)
Net Change in Fund Balance	\$ 196,586	\$ 89,082	\$ (136,681)	\$ 148,987	\$ (642,440)	\$ (717,449)	\$ 866,436
Fund Balance, July 1, 2019	2,546,249	(89,082)	0	2,457,167	2,463,134	2,463,134	(5,967)
Fund Balance, June 30, 2020	\$ 2,742,835	\$ 0	\$ (136,681)	\$ 2,606,154	\$ 1,820,694	\$ 1,745,685	\$ 860,469

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

Exhibit C-6

Macon 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	\$ 497,078	\$ 501,528	\$ 501,528	\$ (4,450)
Other Local Revenues	57,134	29,500	54,043	3,091
State of Tennessee	2,221,423	2,934,207	2,934,207	(712,784)
Federal Government	91,668	0	91,668	0
Total Revenues	\$ 2,867,303	\$ 3,465,235	\$ 3,581,446	\$ (714,143)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 170,372	\$ 182,730	\$ 182,730	\$ 12,358
Highway and Bridge Maintenance	1,508,086	1,768,850	1,869,661	361,575
Operation and Maintenance of Equipment	322,549	372,628	377,128	54,579
Other Charges	155,878	161,600	172,300	16,422
Employee Benefits	304,688	348,850	348,850	44,162
Capital Outlay	2,919,859	886,609	7,140,953	4,221,094
<u>Principal on Debt</u>				
Highways and Streets	160,329	160,496	160,496	167
<u>Interest on Debt</u>				
Highways and Streets	21,168	21,001	21,201	33
Total Expenditures	\$ 5,562,929	\$ 3,902,764	\$ 10,273,319	\$ 4,710,390
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,695,626)	\$ (437,529)	\$ (6,691,873)	\$ 3,996,247
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 6,000,000	\$ 0	\$ 6,000,000	\$ 0
Insurance Recovery	5,878	0	0	5,878
Special Items (Revenues)	0	6,000,000	0	0
Transfers Out	(2,400)	(2,400)	(2,400)	0
Special Item (Expenditure) #1	0	(6,000,000)	0	0
Special Item (Expenditure) #2	0	(254,344)	0	0
Total Other Financing Sources	\$ 6,003,478	\$ (256,744)	\$ 5,997,600	\$ 5,878
Net Change in Fund Balance	\$ 3,307,852	\$ (694,273)	\$ (694,273)	\$ 4,002,125
Fund Balance, July 1, 2019	961,733	883,062	883,062	78,671
Fund Balance, June 30, 2020	\$ 4,269,585	\$ 188,789	\$ 188,789	\$ 4,080,796

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,171,692
Accounts Receivable	124,639
Due from Other Governments	<u>388,734</u>
Total Assets	<u>\$ 1,685,065</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 388,734
Due to Litigants, Heirs, and Others	<u>1,296,331</u>
Total Liabilities	<u>\$ 1,685,065</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Macon 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 Macon County:

A. Reporting Entity

Macon County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Macon County (the primary government) and its component units. The financial statements of the Macon County Emergency Communications District, a component unit requiring discrete presentation were excluded from this report due to materiality calculations; therefore, the effect of its 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 Macon County School Department operates the public school system in the county, and the voters of Macon 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 Macon County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Macon County, and the Macon 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 Macon County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Macon 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 Macon County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Macon County Emergency Communications District
898 Hwy 52 By-Pass E
Lafayette, TN 37083

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide

financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund 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 Macon 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Macon County has no proprietary funds to report.

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to

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

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Macon 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.

Additionally, Macon County reports the following fund types:

Capital Projects Fund – The General Capital Projects Fund is used to account for 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.

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

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

Additionally, the Macon 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.

Private-purpose Trust Funds – These endowment funds are used to account for endowments received by the school department to fund scholarships.

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

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

1. Deposits and Investments

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

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

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State

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

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

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

2. Receivables and Payables

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to five 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 is 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.

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 Macon 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 Macon County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Macon 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 column 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 in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	5 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20 - 50
Bridges	75
Waterway	30 - 50

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are other post-employment benefits (OPEB) changes in experience and assumptions; OPEB benefits paid after the measurement date; pension changes in experience, assumptions, and proportion; and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future

period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes; pension changes in experience, investment earnings, and proportion; OPEB changes in experience, proportion, and assumptions; and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation (excluding the highway department, which closes the week of Christmas and the week of July 4th for vacation) and sick leave benefits. There is no liability for unpaid accumulated sick leave (excluding the highway department, which guarantees payment) since Macon County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Custodians, maintenance employees, mechanics, bookkeepers, and cafeteria managers are paid for all unused sick leave at the end of the fiscal year. The school department's leave policy does not guarantee payment for accumulated vacation when employees separate from service with the department.

7. Long-term Debt and Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

8. Net Position and Fund Balance

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

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

As of June 30, 2020, Macon County had \$1,100,443 in outstanding debt for capital purposes for the discretely presented Macon County School Department.

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

amounts in any of these unrestricted fund balance classifications could be used.

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

These classifications may consist of the following:

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

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

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

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

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

E. Pension Plans

Primary Government

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

Discretely Presented Macon 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 Macon 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 Macon County School Department

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

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 Macon County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed

appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2020, Macon County reported the following encumbrances:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
General	\$ 136,681
Nonmajor Funds:	
Solid/Waste Sanitation	215,308
Drug Control	17
General Capital Projects	3,991

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Macon County and the Macon 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, Macon 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 Macon County and the discretely presented Macon County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
Investments at Amortized Cost:			
State Treasurer's Investment Pool	1 to 105	N/A	\$ 5,016

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. Macon 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. Macon County has no investment policy that would further limit its investment choices. As of June 30, 2020, Macon 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 Macon 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 Macon 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 Macon 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	\$ 37,323
Developed Market International Equity	N/A	N/A	16,855
Emerging Market International Equity	N/A	N/A	4,816
U.S. Fixed Income	N/A	N/A	24,079
Real Estate	N/A	N/A	12,040
Short-term Securities	N/A	N/A	1,204
NAV - Private Equity and Strategic Lending	N/A	N/A	24,079
 Total			\$ 120,396

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	\$ 37,323	\$ 37,323	\$ 0	\$ 0	0
Developed Market International Equity	16,855	16,855	0	0	0
Emerging Market International Equity	4,816	4,816	0	0	0
U.S. Fixed Income	24,079	0	24,079	0	0
Real Estate	12,040	0	0	12,040	0
Short-term Securities	1,204	0	1,204	0	0
Private Equity and Strategic Lending	24,079	0	0	0	24,079
 Total	\$ 120,396	\$ 58,994	\$ 25,283	\$ 12,040	\$ 24,079

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 Macon 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 Macon 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. Macon 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 Macon 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:

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets				
Not Depreciated:				
Land	\$ 1,001,506	\$ 0	\$ 0	\$ 1,001,506
Total Capital Assets				
Not Depreciated	\$ 1,001,506	\$ 0	\$ 0	\$ 1,001,506
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 11,917,931	\$ 0	\$ 0	\$ 11,917,931
Infrastructure	23,890,241	1,473,213	0	25,363,454
Other Capital Assets	8,800,017	1,645,553	(422,700)	10,022,870
Total Capital Assets				
Depreciated	\$ 44,608,189	\$ 3,118,766	\$ (422,700)	\$ 47,304,255
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 4,739,007	\$ 295,851	\$ 0	\$ 5,034,858
Infrastructure	4,678,987	444,152	0	5,123,139
Other Capital Assets	4,689,550	1,312,915	(371,842)	5,630,623
Total Accumulated				
Depreciation	\$ 14,107,544	\$ 2,052,918	\$ (371,842)	\$ 15,788,620
Total Capital Assets				
Depreciated, Net	\$ 30,500,645	\$ 1,065,848	\$ (50,858)	\$ 31,515,635
Governmental Activities				
Capital Assets, Net	\$ 31,502,151	\$ 1,065,848	\$ (50,858)	\$ 32,517,141

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

Governmental Activities:

General Government	\$	74,528
Finance		7,749
Administration of Justice		126,555
Public Safety		753,098
Public Health and Welfare		329,301
Social, Cultural, and Recreational		54,926
Highway/Public Works		<u>706,761</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,052,918</u></u>

Discretely Presented Macon County School Department

Governmental Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets			
Not Depreciated:			
Land	\$ 382,263	\$ 0	\$ 382,263
Total Capital Assets Not Depreciated	<u>\$ 382,263</u>	<u>\$ 0</u>	<u>\$ 382,263</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 25,064,686	\$ 85,925	\$ 25,150,611
Other Capital Assets	4,901,846	388,776	5,290,622
Total Capital Assets Depreciated	<u>\$ 29,966,532</u>	<u>\$ 474,701</u>	<u>\$ 30,441,233</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 15,751,927	\$ 625,471	\$ 16,377,398
Other Capital Assets	2,927,812	289,176	3,216,988
Total Accumulated Depreciation	<u>\$ 18,679,739</u>	<u>\$ 914,647</u>	<u>\$ 19,594,386</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,286,793</u>	<u>\$ (439,946)</u>	<u>\$ 10,846,847</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,669,056</u>	<u>\$ (439,946)</u>	<u>\$ 11,229,110</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 Macon County School Department as follows:

Governmental Activities:

Instruction	\$ 619,822
Support Services	<u>294,825</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 914,647</u></u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 1,100,443

The Due to the Primary Government is the balance of two notes issued by the county for the school department. The school department has agreed to contribute the funds necessary to retire these notes. This long-term debt obligation is reflected in the governmental activities on the Statement of Net Position.

Interfund Transfers:

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

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Fund	Nonmajor Governmental Funds
General	\$ 0	\$ 375,000
Highway/Public Works Fund	2,400	0
General Debt Service Fund	<u>83,000</u>	<u>1,031,300</u>
Total	<u><u>\$ 85,400</u></u>	<u><u>\$ 1,406,300</u></u>

Discretely Presented Macon County School Department

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 31,121

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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Long-term Debt

Primary Government

Notes

Direct Borrowing and Direct Placements - Macon County issues capital outlay notes to fund capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes outstanding were issued for original terms of up to 13 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2020, will be retired from the General Debt Service and Highway Public/Works funds.

Capital outlay notes outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
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Direct Borrowing and Direct Placement:

Capital Outlay Notes	0.75 to 2.85 %	3-4-30	\$ 9,521,154	\$ 8,244,017
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The annual requirements to amortize all notes outstanding as of June 30, 2020, including interest payments, are presented in the following table:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 1,044,071	\$ 198,584	\$ 1,242,655
2022	1,063,331	176,185	1,239,516
2023	1,082,617	153,758	1,236,375
2024	1,010,828	131,013	1,141,841
2025	637,298	109,343	746,641
2026-2030	3,405,872	280,261	3,686,133
Total	\$ 8,244,017	\$ 1,049,144	\$ 9,293,161

There is \$1,934,547 available in the General Debt Service Fund to service long-term debt. Total debt per capita (consisting of notes) totaled \$371, based on the 2010 federal census.

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

Description of Debt	Outstanding 6-30-20
<u>Notes Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficiency	\$ 700,622
Energy Efficiency School Initiative	399,821
Total	<u>\$ 1,100,443</u>

Changes in Long-term Debt

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

Governmental Activities:

	<u>Notes - Direct Placement</u>
Balance, July 1, 2019	\$ 3,707,282
Additions	6,460,500
Reductions	<u>(1,923,765)</u>
Balance, June 30, 2020	<u>\$ 8,244,017</u>
Balance Due Within One Year	<u>\$ 1,044,071</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 8,244,017
Less: Balance Due Within One Year - Debt	<u>(1,044,071)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 7,199,946</u>

E. 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>	<u>Landfill Postclosure Care Costs</u>
Balance, July 1, 2019	\$ 296,233	\$ 253,872
Additions	325,544	4,062
Reductions	<u>(314,467)</u>	<u>(28,208)</u>
Balance, June 30, 2020	<u>\$ 307,310</u>	<u>\$ 229,726</u>
Balance Due Within One Year	<u>\$ 30,732</u>	<u>\$ 42,750</u>

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

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 537,036
Less: Balance Due Within One Year - Other	<u>(73,482)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 463,554</u></u>

Discretely Presented Macon County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2019	\$ 3,640,630
Additions	700,030
Reductions	<u>(647,315)</u>
Balance, June 30, 2020	<u><u>\$ 3,693,345</u></u>
Balance Due Within One Year	<u><u>\$ 0</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 3,693,345
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 3,693,345</u></u>

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

F. On-Behalf Payments

Discretely Presented Macon County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Macon County School Department. These payments are made by the state to the Local Education Group Insurance Plan. 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 \$80,454. 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

Macon County and the discretely presented Macon County School Department decided to purchase commercial insurance for the risks of employee health losses for the primary government and the school department's non-certified personnel to which it is exposed. Pre-65 retirees are not allowed to participate in the plan. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Macon County is exposed to various risks related to general liability, property, casualty, and workers' compensation. The primary government decided it was more economically feasible to join a public entity risk pool than to purchase commercial insurance for general liability, property, casualty, and workers' compensation coverage. The government's risks of loss relating to general liability, property, and casualty are covered by participation in the Local Government Property and Casualty Fund (LGPCF). The government's risks of loss relating to workers' compensation are covered by participation in the Local Government Workers' Compensation Fund (LGWCF). These funds are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums to the LGPCF and the LGWCF for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the LGPCF and the LGWCF provide for them to be self-sustaining through member's premiums.

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

The school department joined 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 the TN-RMT provides for it to be self-sustaining through member premiums.

B. Contingent Liabilities

The county is involved in several pending lawsuits. The attorney for the county estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

C. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its 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. Macon County closed its sanitary landfill in 1998. The \$229,726 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 Venture

The Macon County Joint Economic and Community Development/Industrial Board is a joint venture between Macon County and the cities of Lafayette and Red Boiling Springs. The board comprises the county mayor, city mayors, and five additional members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. During the year ended June 30, 2020, the county did not appropriate any operating subsidies to the Macon County Joint Economic and Community Development/Industrial Board.

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Macon County and non-certified employees of the discretely presented Macon County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 59.59 percent, the non-certified employees of the discretely presented school department comprise 40.41 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and

applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	104
Inactive Employees Entitled to But Not Yet Receiving Benefits	340
Active Employees	406
 Total	 <u>850</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Macon 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 Macon County was \$642,934 based on a rate of 5.50 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Macon 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)

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

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

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

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

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Macon 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 (a)-(b)
Balance, July 1, 2018	\$ 22,494,977	\$ 24,426,105	\$ (1,931,128)
Changes for the Year:			
Service Cost	\$ 933,618	\$ 0	\$ 933,618
Interest	1,670,138	0	1,670,138
Differences Between Expected and Actual Experience	(526,081)	0	(526,081)
Contributions-Employer	0	608,248	(608,248)
Contributions-Employees	0	552,953	(552,953)
Net Investment Income	0	1,831,434	(1,831,434)
Benefit Payments, Including Refunds of Employee Contributions	(784,427)	(784,427)	0
Administrative Expense	0	(36,333)	36,333
Net Changes	\$ 1,293,248	\$ 2,171,875	\$ (878,627)
Balance, June 30, 2019	\$ 23,788,225	\$ 26,597,980	\$ (2,809,755)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	59.59%	\$ 14,175,403	\$ 15,849,736	\$ (1,674,333)
School Department	40.41%	9,612,822	10,748,244	(1,135,422)
Total		\$ 23,788,225	\$ 26,597,980	\$ (2,809,755)

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

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

Net Pension Liability (Asset) \$ 601,516 \$ (2,809,755) \$ (5,611,091)

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

Pension Expense. For the year ended June 30, 2020, Macon County recognized pension expense of \$295,512.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Macon 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	\$ 136,265	\$ 975,670
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	298,628
Changes in Assumptions	259,091	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	642,934	N/A
Total	<u>\$ 1,038,290</u>	<u>\$ 1,274,298</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 621,251	\$ 759,354
School Department	417,039	514,944
Total	<u>\$ 1,038,290</u>	<u>\$ 1,274,298</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	\$ (168,189)
2022	(272,402)
2023	(189,478)
2024	(115,256)
2025	(133,617)
Thereafter	0

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

Discretely Presented Macon County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Macon County and non-certified employees of the discretely presented Macon County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 59.59 percent and the non-certified employees of the discretely presented school department comprise 40.41 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$67,777, which is 2.03 percent of covered payroll. In addition, employer contributions of \$64,172, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$133,064) 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 .235726 percent. The proportion as of June 30, 2018, was .243847 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$43,569.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,517	\$ 23,229
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,626
Changes in Assumptions	4,623	0
Changes in Proportion of Net Pension Liability (Asset)	19,744	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	67,777	N/A
Total	<u>\$ 97,661</u>	<u>\$ 28,855</u>

The school department's employer contributions of \$67,777, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (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	\$ (1,012)
2022	(1,873)
2023	(295)
2024	509
2025	739
Thereafter	2,961

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

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

School Department's 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) \$ 42,160 \$ (133,064) \$ (262,587)

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Macon County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$1,356,110, 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 (\$3,931,434) 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 .382368 percent. The proportion measured at June 30, 2018, was .363529 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized negative pension expense of \$564,587.

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	\$ 191,412	\$ 2,401,398
Changes in Assumptions	529,781	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,123,286
Changes in Proportion of Net Pension Liability (Asset)	99,329	11,987
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>1,356,110</u>	N/A
Total	<u>\$ 2,176,632</u>	<u>\$ 3,536,671</u>

The school department's employer contributions of \$1,356,110 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (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	\$ (762,248)
2022	(1,082,175)
2023	(495,816)
2024	(375,910)
2025	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

School Department's 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) \$ 8,038,647 \$ (3,931,434) \$ (13,453,301)

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

Macon County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

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 \$163,382 and teachers contributed \$61,332 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

Discretely Presented Macon County School Department

Macon County School Department provides OPEB benefits to its certified and non-certified retirees through a 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 meet the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided Through State Administered Public Entity Risk Pools

The Macon County School Department provides healthcare benefits to its certified and non-certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified and non-certified retirees of Macon County 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 the 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 the 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 the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

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

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (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 2.0 percent load for males and a -3.0 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% 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 2019 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 Macon 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 Macon County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Macon County provided a direct subsidy of \$120 per month toward the cost of the insurance plan selected by the retiree for certified employees only. Also, the state, as a governmental non-employer contributing entity, provides

a direct subsidy for eligible retiree’s premiums based on years of service. Retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 25% 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	20
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	384
Total	404

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$139,504 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Macon County School Department</u> 66.1934%	<u>State of TN</u> 33.8066%	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 3,640,630	\$ 1,771,739	\$ 5,412,369
Changes for the Year:			
Service Cost	\$ 183,509	\$ 93,722	\$ 277,231
Interest	133,654	68,260	201,914
Difference between Expected and Actuarial Experience	228,027	116,459	344,486
Changes in Proportion	(57,999)	57,999	0
Changes in Assumption and Other Inputs	(285,056)	(145,585)	(430,641)
Benefit Payments	(149,420)	(76,312)	(225,732)
Net Changes	\$ 52,715	\$ 114,543	\$ 167,258
Balance June 30, 2019	\$ 3,693,345	\$ 1,886,282	\$ 5,579,627

The Macon 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 Macon 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 \$150,158 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Macon County School Department's proportionate share of the collective OPEB liability was 66.1934% and the State of Tennessee's share was 33.8066%.

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 \$421,261, 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	\$ 204,049	\$ 205,507
Changes of Assumptions/Inputs	78,534	384,984
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	65,994
Benefits Paid After the Measurement Date of June 30, 2019	<u>139,504</u>	<u>0</u>
Total	<u>\$ 422,087</u>	<u>\$ 656,485</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	\$ (46,060)
2022	(46,060)
2023	(46,060)
2024	(46,060)
2025	(46,060)
Thereafter	(143,602)

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	\$ 4,006,299	\$ 3,693,345	\$ 3,398,417
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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 Rates	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	\$ 3,258,112	\$ 3,693,345	\$ 4,210,567
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G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated (TCA)*, and Chapter 161, Private Acts of 1937. The private act provides for a purchasing committee, including the county mayor, county clerk, and clerk and master, to make all purchases for all county departments except the highway and the school departments. The County Purchasing Law of 1983 provides for purchases exceeding \$10,000 to be made on a competitive basis after public advertisement.

Office of Supervisor of Roads

Purchasing procedures for the Office of Supervisor of Roads are governed by Chapter 234, Private Acts of 1965, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the supervisor of roads to make all purchases and for all purchases exceeding \$10,000 to be made on a competitive basis solicited through public advertisement.

Office of Director of Schools

Purchasing procedures for the discretely presented Macon County 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 advertisements on all purchases exceeding \$10,000.

H. Subsequent Event

On August 14, 2020, Macon County issued \$8,220,000 in general obligation bonds for school construction projects.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Macon 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	\$ 790,999	\$ 804,543	\$ 868,450	\$ 883,684	\$ 915,727	\$ 933,618
Interest	1,136,097	1,205,650	1,357,503	1,466,373	1,561,532	1,670,138
Differences Between Actual and Expected Experience	(549,980)	476,935	(191,174)	(257,428)	(321,538)	(526,081)
Changes in Assumptions	0	0	0	453,410	0	0
Benefit Payments, Including Refunds of Employee Contributions	(454,825)	(471,752)	(580,902)	(615,935)	(566,771)	(784,427)
Net Change in Total Pension Liability	\$ 922,291	\$ 2,015,376	\$ 1,453,877	\$ 1,930,104	\$ 1,588,950	\$ 1,293,248
Total Pension Liability, Beginning	14,584,379	15,506,670	17,522,046	18,975,923	20,906,027	22,494,977
Total Pension Liability, Ending (a)	\$ 15,506,670	\$ 17,522,046	\$ 18,975,923	\$ 20,906,027	\$ 22,494,977	\$ 23,788,225
Plan Fiduciary Net Position						
Contributions - Employer	\$ 587,705	\$ 300,865	\$ 313,116	\$ 541,225	\$ 569,958	\$ 608,248
Contributions - Employee	447,413	460,037	479,781	492,022	528,308	552,953
Net Investment Income	2,532,807	557,524	501,429	2,229,569	1,853,199	1,831,434
Benefit Payments, Including Refunds of Employee Contributions	(454,825)	(471,752)	(580,902)	(615,935)	(566,771)	(784,427)
Administrative Expense	(13,802)	(19,488)	(28,424)	(31,943)	(37,910)	(36,333)
Net Change in Plan Fiduciary Net Position	\$ 3,099,298	\$ 827,186	\$ 685,000	\$ 2,614,938	\$ 2,346,784	\$ 2,171,875
Plan Fiduciary Net Position, Beginning	14,852,899	17,952,197	18,779,383	19,464,383	22,079,321	24,426,105
Plan Fiduciary Net Position, Ending (b)	\$ 17,952,197	\$ 18,779,383	\$ 19,464,383	\$ 22,079,321	\$ 24,426,105	\$ 26,597,980
Net Pension Liability (Asset), Ending (a - b)	\$ (2,445,527)	\$ (1,257,337)	\$ (488,460)	\$ (1,173,294)	\$ (1,931,128)	\$ (2,809,755)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	115.77%	107.18%	102.57%	105.61%	108.58%	111.81%
Covered Payroll	\$ 8,945,171	\$ 9,200,754	\$ 9,575,405	\$ 9,840,446	\$ 10,362,870	\$ 11,059,037
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(27.34)%	(13.67)%	(5.10)%	(11.92)%	(18.64)%	(25.41)%

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

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

Exhibit E-2

Macon 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	\$ 587,705	\$ 300,865	\$ 313,116	\$ 321,783	\$ 470,474	\$ 502,081	\$ 642,934
Less Contributions in Relation to the							
Actuarially Determined Contribution	(587,705)	(300,865)	(313,116)	(541,225)	(569,958)	(608,248)	(642,934)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (219,442)	\$ (99,484)	\$ (106,167)	\$ 0
Covered Payroll	\$ 8,945,171	\$ 9,200,754	\$ 9,575,405	\$ 9,840,446	\$ 10,362,870	\$ 11,059,037	\$ 11,689,794
Contributions as a Percentage of							
Covered Payroll	6.57%	3.27%	3.27%	5.50%	5.50%	5.50%	5.50%

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 E-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 937	\$ 36,508	\$ 75,889	\$ 34,750	\$ 48,393	\$ 67,777
Less Contributions in Relation to the Contractually Required Contribution	(37,462)	(58,339)	(75,889)	(85,237)	(48,393)	(67,777)
Contribution Deficiency (Excess)	<u>\$ (36,525)</u>	<u>\$ (21,831)</u>	<u>\$ 0</u>	<u>\$ (50,487)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 936,549	\$ 1,458,466	\$ 1,897,226	\$ 2,121,214	\$ 2,494,464	\$ 3,338,714
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.02%	1.94%	2.03%

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 1,138,156	\$ 1,112,630	\$ 1,121,558	\$ 1,140,654	\$ 1,155,848	\$ 1,341,114	\$ 1,356,110
Less Contributions in Relation to the Actuarially Determined Contribution	(1,138,156)	(1,112,630)	(1,121,558)	(1,140,654)	(1,155,848)	(1,341,114)	(1,356,110)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 12,817,075	\$ 12,307,885	\$ 12,406,626	\$ 12,617,873	\$ 12,739,253	\$ 12,821,331	\$ 12,757,808
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.07%	10.46%	10.63%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	0.450758%	0.331469%	0.289062%	0.243847%	0.235726%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (18,134) \$	(34,507) \$	(76,265) \$	(110,592) \$	(133,064)
Covered Payroll	\$ 936,549 \$	1,458,466 \$	1,897,226 \$	2,121,214 \$	2,494,464
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.21)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	0.326550%	0.328779%	0.343693%	0.356946%	0.363529%	0.382368%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (53,063)	\$ 134,679	\$ 2,147,888	\$ (116,786)	\$ (1,279,228)	\$ (3,931,434)
Covered Payroll	\$ 12,817,063	\$ 12,307,885	\$ 12,406,626	\$ 12,617,873	\$ 12,739,253	\$ 12,821,331
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094251%	17.31%	(0.93)%	(10.04)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit E-7

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 308,569	\$ 283,823	\$ 277,231
Interest	163,001	197,104	201,914
Changes in Benefit Terms	0	24,979	0
Differences Between Actual and Expected Experience	0	(382,666)	344,486
Changes in Assumptions or Other Inputs	(275,805)	146,235	(430,641)
Benefit Payments	(213,443)	(219,806)	(225,732)
Net Change in Total OPEB Liability	\$ (17,678)	\$ 49,669	\$ 167,258
Total OPEB Liability, Beginning	5,380,378	5,362,700	5,412,369
Total OPEB Liability, Ending	\$ 5,362,700	\$ 5,412,369	\$ 5,579,627
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,747,302	\$ 1,771,739	\$ 1,886,282
Employer Proportionate Share of the Total OPEB Liability	3,615,398	3,640,630	3,693,345
Covered Employee Payroll	\$ 18,467,827	\$ 19,082,662	\$ 19,784,896
Employer Proportionate Share of the Total OPEB Liability as a Percentage of Covered Employee Payroll	19.58%	19.08%	18.67%

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:

Plan year 2019	- from 5.4% to 6.75%
Plan year 2020	- 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.

MACON 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 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 4.00%
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 in Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Macon County’s transfer station and postclosure costs associated with the closed landfill.

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.

Debt Service Fund

The Special Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, including debt issued for the construction of a new elementary school.

Capital Projects Fund

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

Exhibit F-1

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

	Special Revenue Funds				Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	Special Debt Service
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 587	\$ 687	\$ 0
Equity in Pooled Cash and Investments	380,946	186,885	0	567,831	1,357,167
Accounts Receivable	0	0	60	60	0
Property Taxes Receivable	202,469	0	0	202,469	0
Allowance for Uncollectible Property Taxes	(12,152)	0	0	(12,152)	0
Total Assets	<u>\$ 571,363</u>	<u>\$ 186,885</u>	<u>\$ 647</u>	<u>\$ 758,895</u>	<u>\$ 1,357,167</u>
<u>LIABILITIES</u>					
Due to Litigants, Heirs, and Others	\$ 0	\$ 0	\$ 647	\$ 647	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 647</u>	<u>\$ 647</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 183,588	\$ 0	\$ 0	\$ 183,588	\$ 0
Deferred Delinquent Property Taxes	6,542	0	0	6,542	0
Total Deferred Inflows of Resources	<u>\$ 190,130</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 190,130</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 186,868	\$ 0	\$ 186,868	\$ 0
Restricted for Public Health and Welfare	83,060	0	0	83,060	0

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Debt Service Fund
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	Special Debt Service
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Capital Outlay	\$ 277,510	\$ 0	\$ 0	\$ 277,510	\$ 0
Restricted for Debt Service	0	0	0	0	1,357,167
Restricted for Capital Projects	0	0	0	0	0
Assigned:					
Assigned for Public Safety	0	17	0	17	0
Assigned for Public Health and Welfare	20,663	0	0	20,663	0
Assigned for Capital Projects	0	0	0	0	0
Total Fund Balances	\$ 381,233	\$ 186,885	\$ 0	\$ 568,118	\$ 1,357,167
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 571,363	\$ 186,885	\$ 647	\$ 758,895	\$ 1,357,167

(Continued)

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>	General Capital Projects	Nonmajor Governmental Funds
Cash	\$ 0	\$ 687
Equity in Pooled Cash and Investments	614,151	2,539,149
Accounts Receivable	0	60
Property Taxes Receivable	0	202,469
Allowance for Uncollectible Property Taxes	0	(12,152)
Total Assets	\$ 614,151	\$ 2,730,213
<u>LIABILITIES</u>		
Due to Litigants, Heirs, and Others	\$ 0	\$ 647
Total Liabilities	\$ 0	\$ 647
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 183,588
Deferred Delinquent Property Taxes	0	6,542
Total Deferred Inflows of Resources	\$ 0	\$ 190,130
<u>FUND BALANCES</u>		
Restricted:		
Restricted for Public Safety	\$ 0	\$ 186,868
Restricted for Public Health and Welfare	0	83,060

(Continued)

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

<u>FUND BALANCES (Cont.)</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Restricted (Cont.):		
Restricted for Capital Outlay	\$ 0	\$ 277,510
Restricted for Debt Service	0	1,357,167
Restricted for Capital Projects	610,160	610,160
Assigned:		
Assigned for Public Safety	0	17
Assigned for Public Health and Welfare	0	20,663
Assigned for Capital Projects	3,991	3,991
Total Fund Balances	<u>\$ 614,151</u>	<u>\$ 2,539,436</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 614,151</u>	<u>\$ 2,730,213</u>

Exhibit F-2

Macon 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			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	Special Debt Service	General Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 192,421	\$ 0	\$ 192,421	\$ 629,575	\$ 0	\$ 821,996
Fines, Forfeitures, and Penalties	0	60,081	60,081	0	0	60,081
Charges for Current Services	165,629	0	165,629	0	0	165,629
State of Tennessee	26,719	0	26,719	0	0	26,719
Federal Government	0	0	0	0	11,348	11,348
Total Revenues	\$ 384,769	\$ 60,081	\$ 444,850	\$ 629,575	\$ 11,348	\$ 1,085,773
<u>Expenditures</u>						
Current:						
Public Safety	\$ 0	\$ 45,993	\$ 45,993	\$ 0	\$ 0	\$ 45,993
Public Health and Welfare	619,822	0	619,822	0	0	619,822
Other Operations	0	0	0	13,708	0	13,708
Capital Projects	0	0	0	0	517,653	517,653
Total Expenditures	\$ 619,822	\$ 45,993	\$ 665,815	\$ 13,708	\$ 517,653	\$ 1,197,176
Excess (Deficiency) of Revenues Over Expenditures	\$ (235,053)	\$ 14,088	\$ (220,965)	\$ 615,867	\$ (506,305)	\$ (111,403)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 460,500	\$ 0	\$ 460,500	\$ 0	\$ 0	\$ 460,500
Transfers In	0	0	0	741,300	665,000	1,406,300
Total Other Financing Sources (Uses)	\$ 460,500	\$ 0	\$ 460,500	\$ 741,300	\$ 665,000	\$ 1,866,800

(Continued)

Exhibit F-2

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

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Solid Waste / Sanitation</u>	<u>Drug Control</u>	<u>Total</u>	<u>Special Debt Service</u>	<u>General Capital Projects</u>	
Net Change in Fund Balances	\$ 225,447	\$ 14,088	\$ 239,535	\$ 1,357,167	\$ 158,695	\$ 1,755,397
Fund Balance, July 1, 2019	155,786	172,797	328,583	0	455,456	784,039
Fund Balance, June 30, 2020	\$ 381,233	\$ 186,885	\$ 568,118	\$ 1,357,167	\$ 614,151	\$ 2,539,436

Exhibit F-3

Macon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation 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	\$ 192,421	\$ 0	\$ 0	\$ 192,421	\$ 185,643	\$ 185,643	\$ 6,778
Charges for Current Services	165,629	0	0	165,629	220,000	220,000	(54,371)
State of Tennessee	26,719	0	0	26,719	25,000	25,000	1,719
Total Revenues	\$ 384,769	\$ 0	\$ 0	\$ 384,769	\$ 430,643	\$ 430,643	\$ (45,874)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Transfer Stations	\$ 619,822	\$ (5,959)	\$ 215,308	\$ 829,171	\$ 437,773	\$ 928,173	\$ 99,002
Total Expenditures	\$ 619,822	\$ (5,959)	\$ 215,308	\$ 829,171	\$ 437,773	\$ 928,173	\$ 99,002
Excess (Deficiency) of Revenues Over Expenditures	\$ (235,053)	\$ 5,959	\$ (215,308)	\$ (444,402)	\$ (7,130)	\$ (497,530)	\$ 53,128
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 460,500	\$ 0	\$ 0	\$ 460,500	\$ 0	\$ 460,500	\$ 0
Total Other Financing Sources	\$ 460,500	\$ 0	\$ 0	\$ 460,500	\$ 0	\$ 460,500	\$ 0
Net Change in Fund Balance	\$ 225,447	\$ 5,959	\$ (215,308)	\$ 16,098	\$ (7,130)	\$ (37,030)	\$ 53,128
Fund Balance, July 1, 2019	155,786	(5,959)	0	149,827	179,566	179,566	(29,739)
Fund Balance, June 30, 2020	\$ 381,233	\$ 0	\$ (215,308)	\$ 165,925	\$ 172,436	\$ 142,536	\$ 23,389

Exhibit F-4

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 60,081	\$ 0	\$ 60,081	\$ 8,000	\$ 8,000	\$ 52,081
Total Revenues	\$ 60,081	\$ 0	\$ 60,081	\$ 8,000	\$ 8,000	\$ 52,081
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 45,993	\$ 17	\$ 46,010	\$ 8,200	\$ 48,844	\$ 2,834
Total Expenditures	\$ 45,993	\$ 17	\$ 46,010	\$ 8,200	\$ 48,844	\$ 2,834
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,088	\$ (17)	\$ 14,071	\$ (200)	\$ (40,844)	\$ 54,915
Net Change in Fund Balance	\$ 14,088	\$ (17)	\$ 14,071	\$ (200)	\$ (40,844)	\$ 54,915
Fund Balance, July 1, 2019	172,797	0	172,797	172,797	172,797	0
Fund Balance, June 30, 2020	\$ 186,885	\$ (17)	\$ 186,868	\$ 172,597	\$ 131,953	\$ 54,915

Exhibit F-5

Macon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special 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	\$ 629,575	\$ 0	\$ 536,574	\$ 93,001
Total Revenues	\$ 629,575	\$ 0	\$ 536,574	\$ 93,001
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 13,708	\$ 0	\$ 14,000	\$ 292
Total Expenditures	\$ 13,708	\$ 0	\$ 14,000	\$ 292
Excess (Deficiency) of Revenues Over Expenditures	\$ 615,867	\$ 0	\$ 522,574	\$ 93,293
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 741,300	\$ 0	\$ 741,300	\$ 0
Total Other Financing Sources	\$ 741,300	\$ 0	\$ 741,300	\$ 0
Net Change in Fund Balance	\$ 1,357,167	\$ 0	\$ 1,263,874	\$ 93,293
Fund Balance, July 1, 2019	0	0	0	0
Fund Balance, June 30, 2020	\$ 1,357,167	\$ 0	\$ 1,263,874	\$ 93,293

Exhibit F-6

Macon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects 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>							
Federal Government	\$ 11,348	\$ 0	\$ 0	\$ 11,348	\$ 0	\$ 11,348	\$ 0
Total Revenues	\$ 11,348	\$ 0	\$ 0	\$ 11,348	\$ 0	\$ 11,348	\$ 0
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 91,382	\$ 0	\$ 3,991	\$ 95,373	\$ 333,085	\$ 344,433	\$ 249,060
Public Safety Projects	126,420	(89,166)	0	37,254	347,555	347,555	310,301
Other General Government Projects	299,851	0	0	299,851	0	665,000	365,149
Total Expenditures	\$ 517,653	\$ (89,166)	\$ 3,991	\$ 432,478	\$ 680,640	\$ 1,356,988	\$ 924,510
Excess (Deficiency) of Revenues Over Expenditures	\$ (506,305)	\$ 89,166	\$ (3,991)	\$ (421,130)	\$ (680,640)	\$ (1,345,640)	\$ 924,510
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 665,000	\$ 0	\$ 0	\$ 665,000	\$ 300,000	\$ 965,000	\$ (300,000)
Total Other Financing Sources	\$ 665,000	\$ 0	\$ 0	\$ 665,000	\$ 300,000	\$ 965,000	\$ (300,000)
Net Change in Fund Balance	\$ 158,695	\$ 89,166	\$ (3,991)	\$ 243,870	\$ (380,640)	\$ (380,640)	\$ 624,510
Fund Balance, July 1, 2019	455,456	(89,166)	0	366,290	380,640	380,640	(14,350)
Fund Balance, June 30, 2020	\$ 614,151	\$ 0	\$ (3,991)	\$ 610,160	\$ 0	\$ 0	\$ 610,160

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Macon 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	\$ 1,554,655	\$ 2,040,000	\$ 3,425,793	\$ (1,871,138)
Other Local Revenues	70	6,000	6,070	(6,000)
State of Tennessee	711,516	600,000	973,000	(261,484)
Other Governments and Citizens Groups	301,956	0	301,956	0
Total Revenues	<u>\$ 2,568,197</u>	<u>\$ 2,646,000</u>	<u>\$ 4,706,819</u>	<u>\$ (2,138,622)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 451,263	\$ 141,598	\$ 563,914	\$ 112,651
Highways and Streets	741,948	802,997	741,974	26
Education	570,225	108,309	678,534	108,309
<u>Interest on Debt</u>				
General Government	8,326	11,109	15,182	6,856
Highways and Streets	16,052	17,299	16,054	2
Education	12,174	3,780	15,954	3,780
<u>Other Debt Service</u>				
General Government	7,934	15,000	15,000	7,066
Total Expenditures	<u>\$ 1,807,922</u>	<u>\$ 1,100,092</u>	<u>\$ 2,046,612</u>	<u>\$ 238,690</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 760,275</u>	<u>\$ 1,545,908</u>	<u>\$ 2,660,207</u>	<u>\$ (1,899,932)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (1,114,300)	\$ (500,000)	\$ (1,614,300)	\$ 500,000
Total Other Financing Sources	<u>\$ (1,114,300)</u>	<u>\$ (500,000)</u>	<u>\$ (1,614,300)</u>	<u>\$ 500,000</u>
Net Change in Fund Balance	\$ (354,025)	\$ 1,045,908	\$ 1,045,907	\$ (1,399,932)
Fund Balance, July 1, 2019	<u>2,288,572</u>	<u>2,351,572</u>	<u>2,351,572</u>	<u>(63,000)</u>
Fund Balance, June 30, 2020	<u>\$ 1,934,547</u>	<u>\$ 3,397,480</u>	<u>\$ 3,397,479</u>	<u>\$ (1,462,932)</u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Funds – 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 H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,171,692	\$ 1,171,692
Accounts Receivable	0	124,639	124,639
Due from Other Governments	388,734	0	388,734
Total Assets	<u>\$ 388,734</u>	<u>\$ 1,296,331</u>	<u>\$ 1,685,065</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 388,734	\$ 0	\$ 388,734
Due to Litigants, Heirs, and Others	0	1,296,331	1,296,331
Total Liabilities	<u>\$ 388,734</u>	<u>\$ 1,296,331</u>	<u>\$ 1,685,065</u>

Exhibit H-2

Macon 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	\$ 2,037,012	\$ 2,037,012	\$ 0
Due from Other Governments	345,004	388,734	345,004	388,734
Total Assets	\$ 345,004	\$ 2,425,746	\$ 2,382,016	\$ 388,734
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 345,004	\$ 2,425,746	\$ 2,382,016	\$ 388,734
Total Liabilities	\$ 345,004	\$ 2,425,746	\$ 2,382,016	\$ 388,734
 <u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,189,809	\$ 5,970,668	\$ 5,988,785	\$ 1,171,692
Accounts Receivable	94,050	124,639	94,050	124,639
Total Assets	\$ 1,283,859	\$ 6,095,307	\$ 6,082,835	\$ 1,296,331
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,283,859	\$ 6,095,307	\$ 6,082,835	\$ 1,296,331
Total Liabilities	\$ 1,283,859	\$ 6,095,307	\$ 6,082,835	\$ 1,296,331
 <u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,189,809	\$ 5,970,668	\$ 5,988,785	\$ 1,171,692
Equity in Pooled Cash and Investments	0	2,037,012	2,037,012	0
Accounts Receivable	94,050	124,639	94,050	124,639
Due from Other Governments	345,004	388,734	345,004	388,734
Total Assets	\$ 1,628,863	\$ 8,521,053	\$ 8,464,851	\$ 1,685,065
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 345,004	\$ 2,425,746	\$ 2,382,016	\$ 388,734
Due to Litigants, Heirs, and Others	1,283,859	6,095,307	6,082,835	1,296,331
Total Liabilities	\$ 1,628,863	\$ 8,521,053	\$ 8,464,851	\$ 1,685,065

Macon County School Department

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

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.

Endowment Fund #1 – The Endowment Fund is used to account for an endowment received by the school department to fund scholarships for deserving high school graduates to attend the University of Tennessee or Belmont University.

Endowment Fund #2 – The Endowment Fund is used to account for an endowment received by the school department to fund scholarships.

Exhibit I-1

Macon County, Tennessee
Statement of Activities
Discretely Presented Macon 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	\$ 20,732,018	\$ 1,310	\$ 2,214,581	\$ 0	\$ (18,516,127)
Support Services	12,842,379	350	88,893	37,705	(12,715,431)
Operation of Non-instructional Services	2,862,407	357,250	2,061,525	0	(443,632)
Total Governmental Activities	<u>\$ 36,436,804</u>	<u>\$ 358,910</u>	<u>\$ 4,364,999</u>	<u>\$ 37,705</u>	<u>\$ (31,675,190)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,463,837
Local Option Sales Tax					2,482,273
Grants and Contributions Not Restricted to Specific Programs					26,375,047
Unrestricted Investment Income					3,670
Miscellaneous					50,630
Total General Revenues					<u>\$ 32,375,457</u>
Change in Net Position					\$ 700,267
Net Position, July 1, 2019					<u>17,765,702</u>
Net Position, June 30, 2020					<u>\$ 18,465,969</u>

Exhibit I-2

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

	<u>Major Fund</u> General Purpose School	<u>Nonmajor Funds</u> Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 100	\$ 100
Equity in Pooled Cash and Investments	6,773,368	841,854	7,615,222
Accounts Receivable	29,711	0	29,711
Due from Other Governments	632,127	61,957	694,084
Property Taxes Receivable	3,662,350	0	3,662,350
Allowance for Uncollectible Property Taxes	(219,803)	0	(219,803)
Restricted Assets	120,396	0	120,396
Total Assets	<u>\$ 10,998,149</u>	<u>\$ 903,911</u>	<u>\$ 11,902,060</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 126,885	\$ 0	\$ 126,885
Payroll Deductions Payable	93	0	93
Total Liabilities	<u>\$ 126,978</u>	<u>\$ 0</u>	<u>\$ 126,978</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,320,819	\$ 0	\$ 3,320,819
Deferred Delinquent Property Taxes	118,335	0	118,335
Other Deferred/Unavailable Revenue	233,441	0	233,441
Total Deferred Inflows of Resources	<u>\$ 3,672,595</u>	<u>\$ 0</u>	<u>\$ 3,672,595</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 94,608	\$ 703,911	\$ 798,519
Restricted for Hybrid Retirement Stabilization Funds	120,396	0	120,396
Committed:			
Committed for Education	656,660	200,000	856,660
Assigned:			
Assigned for Education	621	0	621
Unassigned	6,326,291	0	6,326,291
Total Fund Balances	<u>\$ 7,198,576</u>	<u>\$ 903,911</u>	<u>\$ 8,102,487</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,998,149</u>	<u>\$ 903,911</u>	<u>\$ 11,902,060</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 8,102,487	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 382,263		
Add: buildings and improvements net of accumulated depreciation	8,773,213		
Add: other capital assets net of accumulated depreciation	<u>2,073,634</u>	11,229,110	
(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 notes	\$ (1,100,443)		
Less: other postemployment benefits liability	<u>(3,693,345)</u>	(4,793,788)	
(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	\$ 2,691,332		
Less: deferred inflows of resources related to pensions	(4,080,470)		
Add: deferred outflows of resources related to OPEB	422,087		
Less: deferred inflows of resources related to OPEB	<u>(656,485)</u>	(1,623,536)	
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$ 1,135,422		
Add: net pension asset - teacher retirement plan	133,064		
Add: net pension asset - teacher legacy pension plan	<u>3,931,434</u>	5,199,920	
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>351,776</u>	
Net position of governmental activities (Exhibit A)		<u>\$ 18,465,969</u>	

Exhibit I-4

Macon County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Macon 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-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 5,916,731	\$ 0	\$ 5,916,731
Licenses and Permits	1,615	0	1,615
Charges for Current Services	42,066	316,494	358,560
Other Local Revenues	58,816	328	59,144
State of Tennessee	25,982,408	0	25,982,408
Federal Government	70,269	4,628,118	4,698,387
Total Revenues	<u>\$ 32,071,905</u>	<u>\$ 4,944,940</u>	<u>\$ 37,016,845</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 19,125,344	\$ 1,583,101	\$ 20,708,445
Support Services	10,500,943	935,648	11,436,591
Operation of Non-Instructional Services	363,857	2,523,255	2,887,112
Capital Outlay	1,741,248	0	1,741,248
Debt Service:			
Other Debt Service	301,956	0	301,956
Total Expenditures	<u>\$ 32,033,348</u>	<u>\$ 5,042,004</u>	<u>\$ 37,075,352</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 38,557</u>	<u>\$ (97,064)</u>	<u>\$ (58,507)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 6,355	\$ 1,976	\$ 8,331
Transfers In	31,121	0	31,121
Transfers Out	0	(31,121)	(31,121)
Total Other Financing Sources (Uses)	<u>\$ 37,476</u>	<u>\$ (29,145)</u>	<u>\$ 8,331</u>
Net Change in Fund Balances	\$ 76,033	\$ (126,209)	\$ (50,176)
Fund Balance, July 1, 2019	7,122,543	1,030,120	8,152,663
Fund Balance, June 30, 2020	<u>\$ 7,198,576</u>	<u>\$ 903,911</u>	<u>\$ 8,102,487</u>

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (50,176)
(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	\$ 436,996	
Add: capital assets donated and capitalized	37,705	
Less: current-year depreciation expense	<u>(914,647)</u>	(439,946)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$ (269,255)	
Add: deferred delinquent property taxes and other deferred June 30, 2020	<u>351,776</u>	82,521
(3) The contributions of long-term debt (e.g., notes) by the primary government provides current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to the primary government		292,515
(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 pension asset - agent plan	\$ 347,715	
Change in pension asset - teacher retirement plan	22,472	
Change in pension asset - teacher legacy pension plan	2,652,206	
Change in deferred outflows of resources related to pensions	(352,988)	
Change in deferred inflows of resources related to pensions	(1,722,453)	
Change in net OPEB liability	(52,715)	
Change in deferred outflows related to OPEB	186,476	
Change in deferred inflows related to OPEB	<u>(265,360)</u>	<u>815,353</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 700,267</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 100	\$ 100
Equity in Pooled Cash and Investments	200,012	641,842	841,854
Due from Other Governments	0	61,957	61,957
Total Assets	<u>\$ 200,012</u>	<u>\$ 703,899</u>	<u>\$ 903,911</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 12	\$ 703,899	\$ 703,911
Committed:			
Committed for Education	200,000	0	200,000
Total Fund Balances	<u>\$ 200,012</u>	<u>\$ 703,899</u>	<u>\$ 903,911</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 316,494	\$ 316,494
Other Local Revenues	0	328	328
Federal Government	2,588,814	2,039,304	4,628,118
Total Revenues	<u>\$ 2,588,814</u>	<u>\$ 2,356,126</u>	<u>\$ 4,944,940</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,583,101	\$ 0	\$ 1,583,101
Support Services	935,648	0	935,648
Operation of Non-Instructional Services	42,881	2,480,374	2,523,255
Total Expenditures	<u>\$ 2,561,630</u>	<u>\$ 2,480,374</u>	<u>\$ 5,042,004</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 27,184</u>	<u>\$ (124,248)</u>	<u>\$ (97,064)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 1,976	\$ 1,976
Transfers Out	(31,121)	0	(31,121)
Total Other Financing Sources (Uses)	<u>\$ (31,121)</u>	<u>\$ 1,976</u>	<u>\$ (29,145)</u>
Net Change in Fund Balances	\$ (3,937)	\$ (122,272)	\$ (126,209)
Fund Balance, July 1, 2019	<u>203,949</u>	<u>826,171</u>	<u>1,030,120</u>
Fund Balance, June 30, 2020	<u>\$ 200,012</u>	<u>\$ 703,899</u>	<u>\$ 903,911</u>

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 5,916,731	\$ 0	\$ 5,916,731	\$ 5,503,161	\$ 5,503,161	\$ 413,570
Licenses and Permits	1,615	0	1,615	1,500	1,500	115
Charges for Current Services	42,066	0	42,066	42,500	42,500	(434)
Other Local Revenues	58,816	0	58,816	23,701	23,701	35,115
State of Tennessee	25,982,408	0	25,982,408	25,785,622	25,946,186	36,222
Federal Government	70,269	0	70,269	70,000	70,300	(31)
Total Revenues	\$ 32,071,905	\$ 0	\$ 32,071,905	\$ 31,426,484	\$ 31,587,348	\$ 484,557
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 15,562,144	\$ 0	\$ 15,562,144	\$ 16,326,970	\$ 16,190,720	\$ 628,576
Alternative Instruction Program	167,929	0	167,929	193,798	193,798	25,869
Special Education Program	2,174,516	0	2,174,516	2,402,131	2,377,631	203,115
Career and Technical Education Program	1,220,755	0	1,220,755	1,263,304	1,309,704	88,949
<u>Support Services</u>						
Attendance	128,647	0	128,647	135,177	141,277	12,630
Health Services	423,060	0	423,060	438,677	438,677	15,617
Other Student Support	976,107	0	976,107	1,039,607	1,071,407	95,300
Regular Instruction Program	852,371	0	852,371	924,251	953,501	101,130
Special Education Program	432,759	0	432,759	494,373	574,673	141,914
Career and Technical Education Program	30,166	0	30,166	35,846	39,846	9,680
Technology	489,124	0	489,124	512,159	515,409	26,285
Other Programs	80,454	0	80,454	0	80,454	0
Board of Education	495,480	0	495,480	657,356	657,356	161,876
Director of Schools	170,840	(150)	170,690	178,947	188,947	18,257

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Office of the Principal	\$ 1,660,674	\$ 0	\$ 1,660,674	\$ 1,665,801	\$ 1,689,301	\$ 28,627
Fiscal Services	270,864	0	270,864	312,225	302,225	31,361
Operation of Plant	1,960,330	0	1,960,330	2,299,989	2,266,489	306,159
Maintenance of Plant	840,865	(21,100)	819,765	803,818	853,878	34,113
Transportation	1,689,202	0	1,689,202	2,069,637	2,069,637	380,435
<u>Operation of Non-Instructional Services</u>						
Food Service	53,695	0	53,695	54,713	54,713	1,018
Early Childhood Education	310,162	0	310,162	317,933	317,933	7,771
<u>Capital Outlay</u>						
Regular Capital Outlay	1,741,248	(867,106)	874,142	2,000,000	2,000,000	1,125,858
<u>Principal on Debt</u>						
Education	0	0	0	292,600	0	0
<u>Interest on Debt</u>						
Education	0	0	0	9,500	0	0
<u>Other Debt Service</u>						
Education	301,956	0	301,956	0	302,100	144
Total Expenditures	\$ 32,033,348	\$ (888,356)	\$ 31,144,992	\$ 34,428,812	\$ 34,589,676	\$ 3,444,684
Excess (Deficiency) of Revenues Over Expenditures						
	\$ 38,557	\$ 888,356	\$ 926,913	\$ (3,002,328)	\$ (3,002,328)	\$ 3,929,241
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 6,355	\$ 0	\$ 6,355	\$ 20,000	\$ 20,000	\$ (13,645)
Transfers In	31,121	0	31,121	15,000	15,000	16,121
Total Other Financing Sources	\$ 37,476	\$ 0	\$ 37,476	\$ 35,000	\$ 35,000	\$ 2,476

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 76,033	\$ 888,356	\$ 964,389	\$ (2,967,328)	\$ (2,967,328)	\$ 3,931,717
Fund Balance, July 1, 2019	7,122,543	(888,356)	6,234,187	6,181,633	6,181,633	52,554
Fund Balance, June 30, 2020	\$ 7,198,576	\$ 0	\$ 7,198,576	\$ 3,214,305	\$ 3,214,305	\$ 3,984,271

Exhibit I-9

Macon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Macon 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	\$ 2,588,814	\$ 2,596,428	\$ 2,872,250	\$ (283,436)
Total Revenues	\$ 2,588,814	\$ 2,596,428	\$ 2,872,250	\$ (283,436)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 773,740	\$ 775,190	\$ 846,730	\$ 72,990
Special Education Program	742,183	734,732	770,474	28,291
Career and Technical Education Program	67,178	46,696	67,178	0
<u>Support Services</u>				
Other Student Support	31,465	72,892	54,719	23,254
Regular Instruction Program	735,617	686,108	825,109	89,492
Special Education Program	97,662	112,201	123,498	25,836
Career and Technical Education Program	1,716	3,000	1,716	0
Transportation	69,188	62,000	76,120	6,932
<u>Operation of Non-Instructional Services</u>				
Community Services	42,881	75,000	75,000	32,119
Total Expenditures	\$ 2,561,630	\$ 2,567,819	\$ 2,840,544	\$ 278,914
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,184	\$ 28,609	\$ 31,706	\$ (4,522)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (31,121)	\$ (28,608)	\$ (31,705)	\$ 584
Total Other Financing Sources	\$ (31,121)	\$ (28,608)	\$ (31,705)	\$ 584
Net Change in Fund Balance	\$ (3,937)	\$ 1	\$ 1	\$ (3,938)
Fund Balance, July 1, 2019	203,949	203,949	203,949	0
Fund Balance, June 30, 2020	\$ 200,012	\$ 203,950	\$ 203,950	\$ (3,938)

Exhibit I-10

Macon County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Macon 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	\$ 316,494	\$ 500,000	\$ 500,000	\$ (183,506)
Other Local Revenues	328	1,500	1,500	(1,172)
Federal Government	2,039,304	2,024,595	2,024,595	14,709
Total Revenues	<u>\$ 2,356,126</u>	<u>\$ 2,526,095</u>	<u>\$ 2,526,095</u>	<u>\$ (169,969)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,480,374	\$ 2,526,095	\$ 2,616,095	\$ 135,721
Total Expenditures	<u>\$ 2,480,374</u>	<u>\$ 2,526,095</u>	<u>\$ 2,616,095</u>	<u>\$ 135,721</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (124,248)</u>	<u>\$ 0</u>	<u>\$ (90,000)</u>	<u>\$ (34,248)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,976	\$ 0	\$ 0	\$ 1,976
Total Other Financing Sources	<u>\$ 1,976</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,976</u>
Net Change in Fund Balance	\$ (122,272)	\$ 0	\$ (90,000)	\$ (32,272)
Fund Balance, July 1, 2019	<u>826,171</u>	<u>362,291</u>	<u>362,291</u>	<u>463,880</u>
Fund Balance, June 30, 2020	<u>\$ 703,899</u>	<u>\$ 362,291</u>	<u>\$ 272,291</u>	<u>\$ 431,608</u>

Macon County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Macon County School Department
Fiduciary Funds
June 30, 2020

	<u>Private-Purpose Funds</u>	
	<u>Endowment</u>	<u>Endowment</u>
	<u>Fund #1</u>	<u>Fund #2</u>
<u>ASSETS</u>		
Equity in Pooled Cash and Investments	\$ 367,593	\$ 10,234
<u>NET POSITION</u>		
Held in Trust for Scholarships	\$ 367,593	\$ 10,234

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

	<u>Private-Purpose Trust Funds</u>	
	<u>Endowment</u>	<u>Endowment</u>
	<u>Fund #1</u>	<u>Fund #2</u>
<u>ADDITIONS</u>		
Investment Income	\$ 5,355	\$ 93
Contributions and Gifts	0	10,142
Total Additions	<u>\$ 5,355</u>	<u>\$ 10,235</u>
<u>DEDUCTIONS</u>		
Education:		
Trustee's Commission	\$ 54	\$ 1
Total Deductions	<u>\$ 54</u>	<u>\$ 1</u>
Change in Net Position	\$ 5,301	\$ 10,234
Net Position July 1, 2019	<u>362,292</u>	<u>0</u>
Net Position June 30, 2020	<u><u>\$ 367,593</u></u>	<u><u>\$ 10,234</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Macon County, Tennessee
Schedule of Changes in Long-term Notes
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Highway and Refunding	\$ 4,645,531	2.04%	9-1-09	8-27-19	\$ 436,375	\$ 0	\$ 436,375	\$ 0
County Road Repairs	2,000,000	2.29	11-13-13	11-13-19	366,666	0	366,666	0
Courthouse Roof & HVAC Renovations	435,319	1.96	2-18-16	10-22-19	179,513	0	179,513	0
Westside Elementary Roof	541,544	1.74	6-6-16	10-22-19	216,617	0	216,617	0
Land for Convenience Site	153,000	2.78	10-9-18	10-23-19	153,000	0	153,000	0
Jail Body Scanner	118,750	2.76	4-17-19	10-23-19	118,750	0	118,750	0
Highway Paving Projects	5,000,000	2.85	9-17-19	9-17-29	0	5,000,000	0	5,000,000
Highway Construction Material	100,000	2.15	3-4-20	3-4-30	0	1,000,000	0	1,000,000
Solid Waste Equipment	460,500	2.15	3-4-20	3-4-30	0	460,500	0	460,500
Total Payable through General Debt Service Fund					\$ 1,470,921	\$ 6,460,500	\$ 1,470,921	\$ 6,460,500
<u>Payable through Highway/Public Works Fund</u>								
Highway Equipment	1,000,000	2.49	1-10-18	1-10-24	\$ 843,403	\$ 0	\$ 160,329	\$ 683,074
Total Payable through Highway/Public Works Fund					\$ 843,403	\$ 0	\$ 160,329	\$ 683,074
<u>Payable by the School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>								
Energy Efficiency	2,223,244	0.75	7-19-11	3-1-24	\$ 888,395	\$ 0	\$ 187,773	\$ 700,622
Energy Efficiency School Initiative	737,410	0.75	6-17-15	6-1-24	504,563	0	104,742	399,821
Total Payable by the School Department Contributions from the General Purpose School Fund to the General Debt Service Fund					\$ 1,392,958	\$ 0	\$ 292,515	\$ 1,100,443
Total Notes Payable					\$ 3,707,282	\$ 6,460,500	\$ 1,923,765	\$ 8,244,017

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 1,044,071	\$ 198,584	\$ 1,242,655
2022	1,063,331	176,185	1,239,516
2023	1,082,617	153,758	1,236,375
2024	1,010,828	131,013	1,141,841
2025	637,298	109,343	746,641
2026	651,546	91,955	743,501
2027	665,953	74,409	740,362
2028	680,770	56,477	737,247
2029	695,922	38,159	734,081
2030	711,681	19,261	730,942
Total	<u>\$ 8,244,017</u>	<u>\$ 1,049,144</u>	<u>\$ 9,293,161</u>

Exhibit J-3

Macon County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Macon 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>			
General	General Capital Projects	THDA Home Program	\$ 375,000
General Debt Service	General	Justice Center Water/Sewer	33,000
General Debt Service	General	Jail Maintenance	50,000
General Debt Service	General Capital Projects	Justice Center Security/Central System	290,000
General Debt Service	Special Debt Service	Transfer funds for debt retirement	741,300
Highway/Public Works	General	Risk management director's salary	2,400
Total Primary Government			<u>\$ 1,491,700</u>
<u>DISCRETELY PRESENTED MACON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 31,121</u>
Total Transfers Discretely Presented Macon County School Department			<u>\$ 31,121</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 85,435 (1)	\$ 100,000	Western Surety Company
Supervisor of Roads	Section 8-24-102, <i>TCA</i>	81,368	100,000	"
Director of Schools	State Board of Education and Local Board of Education	97,222 (2)	100,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	73,971	50,000	RLI Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	73,971	1,250,000	Auto Owners Mutual Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	73,971 (3)	100,000	RLI Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	73,971	100,000	Western Surety Company
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	73,971	125,000	Auto Owners Mutual Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	73,971	100,000	RLI Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	81,368 (4)	100,000	"
<u>Other Bonds</u>				
County Employees	Public Employee - Blanket Bond		400,000	Local Government Insurance Pool
School Department Employees	Public Employee - Blanket Bond		400,000	Tennessee Risk Management Trust

(1) Does not include \$2,300 for serving as a consultant to the county commission.

(2) Does not include \$1,000 for a chief executive officer training supplement or a one-time bonus of \$1,200.

(3) Does not include \$1,200 for attending county commission meetings and \$100 for attending records commission meetings.

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

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Special Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,301,476	\$ 183,674	\$ 0	\$ 473,686	\$ 0	\$ 0
Discount on Property Taxes	(52,128)	(1,816)	0	(4,658)	0	0
Trustee's Collections - Prior Year	124,140	4,723	0	12,429	0	0
Trustee's Collections - Bankruptcy	251	10	0	25	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	58,800	2,234	0	5,907	0	0
Interest and Penalty	19,667	736	0	1,928	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	320,922	0	0	0	428,847	629,575
Hotel/Motel Tax	23,882	0	0	0	0	0
Wheel Tax	319,035	0	0	0	1,068,074	0
Litigation Tax - General	124,079	0	0	0	17,554	0
Litigation Tax - Special Purpose	282	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	40,180	0
Business Tax	155,096	0	0	0	0	0
Mineral Severance Tax	0	0	0	235	0	0
Adequate Facilities/Development Tax	269,311	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	75,264	2,860	0	7,526	0	0
Wholesale Beer Tax	79,260	0	0	0	0	0
Total Local Taxes	\$ 6,819,337	\$ 192,421	\$ 0	\$ 497,078	\$ 1,554,655	\$ 629,575
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 55,629	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Special Debt Service
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 238	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	128,165	0	0	0	0	0
Other Permits	2,465	0	0	0	0	0
Total Licenses and Permits	<u>\$ 186,497</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 16,238	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	380	0	0	0	0	0
Data Entry Fee - Circuit Court	1,402	0	0	0	0	0
Courtroom Security Fee	4,249	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	19,135	0	0	0	0	0
Officers Costs	38,696	0	0	0	0	0
Game and Fish Fines	104	0	0	0	0	0
Drug Control Fines	0	0	9,668	0	0	0
Jail Fees	11,385	0	0	0	0	0
District Attorney General Fees	7,016	0	0	0	0	0
DUI Treatment Fines	3,568	0	0	0	0	0
Data Entry Fee - General Sessions Court	6,462	0	0	0	0	0
Courtroom Security Fee	2,234	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	61	0	0	0	0	0
Officers Costs	950	0	0	0	0	0
Interpreter Fee	48	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Special Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court (Cont.)</u>						
Data Entry Fee - Juvenile Court	\$ 618	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	8	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	3,140	0	0	0	0	0
Data Entry Fee - Chancery Court	1,876	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	475	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	50,413	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 118,045	\$ 0	\$ 60,081	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 165,629	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	1,215,370	0	0	0	0	0
Other General Service Charges	2,532	0	0	0	0	0
Service Charges	8,630	0	0	0	0	0
<u>Fees</u>						
Copy Fees	188	0	0	0	0	0
Library Fees	20,258	0	0	0	0	0
Greenbelt Late Application Fee	750	0	0	0	0	0
Telephone Commissions	86,714	0	0	0	0	0
Vending Machine Collections	102	0	0	0	0	0
Data Processing Fee - Register	9,370	0	0	0	0	0
Probation Fees	133,612	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Special Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Sheriff	\$ 4,799	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sexual Offender Registration Fee - Sheriff	5,850	0	0	0	0	0
Data Processing Fee - County Clerk	369	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,335	0	0	0	0	0
Total Charges for Current Services	\$ 1,489,879	\$ 165,629	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 100,940	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	68,833	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	379	0	0
Commissary Sales	76,290	0	0	0	0	0
Sale of Animals/Livestock	1,919	0	0	0	0	0
Miscellaneous Refunds	86,426	0	0	11,212	70	0
<u>Nonrecurring Items</u>						
Sale of Equipment	12,076	0	0	45,543	0	0
Contributions and Gifts	383,019	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	95	0	0	0	0	0
Total Other Local Revenues	\$ 729,598	\$ 0	\$ 0	\$ 57,134	\$ 70	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 362,507	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	72,457	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Funds		
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Special Debt Service
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
General Sessions Court Clerk	\$ 130,079	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master	55,471	0	0	0	0	0
Juvenile Court Clerk	7,031	0	0	0	0	0
Register	119,968	0	0	0	0	0
Sheriff	12,140	0	0	0	0	0
Trustee	354,500	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,114,153	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	23,200	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	173,838	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	118,727	0	0
Litter Program	42,686	0	0	0	0	0
<u>Other State Revenues</u>						
Beer Tax	18,175	0	0	0	0	0
Vehicle Certificate of Title Fees	7,383	0	0	0	0	0
Alcoholic Beverage Tax	56,248	0	0	0	0	0
State Revenue Sharing - T.V.A.	315,990	0	0	0	0	0
State Revenue Sharing - Telecommunications	177,301	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	711,516	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Funds	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Special Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 2,086,643	\$ 0	\$ 0
Petroleum Special Tax	0	0	0	16,053	0	0
Registrar's Salary Supplement	18,955	0	0	0	0	0
Other State Grants	16,817	26,719	0	0	0	0
Other State Revenues	4,167	0	0	0	0	0
Total State of Tennessee	\$ 863,760	\$ 26,719	\$ 0	\$ 2,221,423	\$ 711,516	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 91,668	\$ 0	\$ 0
Community Development	0	0	0	0	0	0
Civil Defense Reimbursement	5,000	0	0	0	0	0
COVID-19 Grant #1	50,452	0	0	0	0	0
Other Federal through State	288,725	0	0	0	0	0
<u>Direct Federal Revenue</u>						
COVID-19 Grant #6	39,816	0	0	0	0	0
Other Direct Federal Revenue	6,200	0	0	0	0	0
Total Federal Government	\$ 390,193	\$ 0	\$ 0	\$ 91,668	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 301,956	\$ 0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 301,956	\$ 0
Total	\$ 11,711,462	\$ 384,769	\$ 60,081	\$ 2,867,303	\$ 2,568,197	\$ 629,575

(Continued)

Exhibit J-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$	0	\$	5,958,836
Discount on Property Taxes		0		(58,602)
Trustee's Collections - Prior Year		0		141,292
Trustee's Collections - Bankruptcy		0		286
Circuit Clerk/Clerk and Master Collections - Prior Years		0		66,941
Interest and Penalty		0		22,331
<u>County Local Option Taxes</u>				
Local Option Sales Tax		0		1,379,344
Hotel/Motel Tax		0		23,882
Wheel Tax		0		1,387,109
Litigation Tax - General		0		141,633
Litigation Tax - Special Purpose		0		282
Litigation Tax - Jail, Workhouse, or Courthouse		0		40,180
Business Tax		0		155,096
Mineral Severance Tax		0		235
Adequate Facilities/Development Tax		0		269,311
<u>Statutory Local Taxes</u>				
Bank Excise Tax		0		85,650
Wholesale Beer Tax		0		79,260
Total Local Taxes	\$	0	\$	9,693,066
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$	0	\$	55,629

(Continued)

Exhibit J-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Beer Permits	\$ 0	\$	0	238
Building Permits	0			128,165
Other Permits	0			2,465
Total Licenses and Permits	<u>\$ 0</u>	<u>\$</u>	<u>0</u>	<u>186,497</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$	0	16,238
DUI Treatment Fines	0			380
Data Entry Fee - Circuit Court	0			1,402
Courtroom Security Fee	0			4,249
<u>General Sessions Court</u>				
Fines	0			19,135
Officers Costs	0			38,696
Game and Fish Fines	0			104
Drug Control Fines	0			9,668
Jail Fees	0			11,385
District Attorney General Fees	0			7,016
DUI Treatment Fines	0			3,568
Data Entry Fee - General Sessions Court	0			6,462
Courtroom Security Fee	0			2,234
<u>Juvenile Court</u>				
Fines	0			61
Officers Costs	0			950
Interpreter Fee	0			48

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		<u>General Capital Projects</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Juvenile Court (Cont.)</u>				
Data Entry Fee - Juvenile Court	\$ 0	\$ 618		
Courtroom Security Fee	0	8		
<u>Chancery Court</u>				
Officers Costs	0	3,140		
Data Entry Fee - Chancery Court	0	1,876		
<u>Other Courts - In-county</u>				
Fines	0	475		
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	50,413		
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 178,126</u>		
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Transfer Waste Stations Collection Charge	\$ 0	\$ 165,629		
Patient Charges	0	1,215,370		
Other General Service Charges	0	2,532		
Service Charges	0	8,630		
<u>Fees</u>				
Copy Fees	0	188		
Library Fees	0	20,258		
Greenbelt Late Application Fee	0	750		
Telephone Commissions	0	86,714		
Vending Machine Collections	0	102		
Data Processing Fee - Register	0	9,370		
Probation Fees	0	133,612		

(Continued)

Exhibit J-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Data Processing Fee - Sheriff	\$ 0	\$		4,799
Sexual Offender Registration Fee - Sheriff	0			5,850
Data Processing Fee - County Clerk	0			369
Vehicle Insurance Coverage and Reinstatement Fees	0			1,335
Total Charges for Current Services	<u>\$ 0</u>	<u>\$</u>		<u>1,655,508</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$		100,940
Lease/Rentals	0			68,833
Sale of Materials and Supplies	0			379
Commissary Sales	0			76,290
Sale of Animals/Livestock	0			1,919
Miscellaneous Refunds	0			97,708
<u>Nonrecurring Items</u>				
Sale of Equipment	0			57,619
Contributions and Gifts	0			383,019
<u>Other Local Revenues</u>				
Other Local Revenues	0			95
Total Other Local Revenues	<u>\$ 0</u>	<u>\$</u>		<u>786,802</u>
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$		362,507
Circuit Court Clerk	0			72,457

(Continued)

Exhibit J-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>Fees Received From County Officials (Cont.)</u>				
<u>Fees In-Lieu-of Salary (Cont.)</u>				
General Sessions Court Clerk	\$ 0	\$	130,079	
Clerk and Master	0		55,471	
Juvenile Court Clerk	0		7,031	
Register	0		119,968	
Sheriff	0		12,140	
Trustee	0		354,500	
Total Fees Received From County Officials	<u>\$ 0</u>	\$	<u>1,114,153</u>	
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$	9,000	
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0		23,200	
<u>Health and Welfare Grants</u>				
Health Department Programs	0		173,838	
<u>Public Works Grants</u>				
Bridge Program	0		118,727	
Litter Program	0		42,686	
<u>Other State Revenues</u>				
Beer Tax	0		18,175	
Vehicle Certificate of Title Fees	0		7,383	
Alcoholic Beverage Tax	0		56,248	
State Revenue Sharing - T.V.A.	0		315,990	
State Revenue Sharing - Telecommunications	0		177,301	
Contracted Prisoner Boarding	0		711,516	

(Continued)

Exhibit J-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
Gasoline and Motor Fuel Tax	\$ 0	\$		2,086,643
Petroleum Special Tax	0			16,053
Registrar's Salary Supplement	0			18,955
Other State Grants	0			43,536
Other State Revenues	0			4,167
Total State of Tennessee	<u>\$ 0</u>	\$		<u>3,823,418</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA - Other	\$ 0	\$		91,668
Community Development	11,348			11,348
Civil Defense Reimbursement	0			5,000
COVID-19 Grant #1	0			50,452
Other Federal through State	0			288,725
<u>Direct Federal Revenue</u>				
COVID-19 Grant #6	0			39,816
Other Direct Federal Revenue	0			6,200
Total Federal Government	<u>\$ 11,348</u>	\$		<u>493,209</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$		301,956
Total Other Governments and Citizens Groups	<u>\$ 0</u>	\$		<u>301,956</u>
Total	<u>\$ 11,348</u>	\$		<u>18,232,735</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,322,131	\$ 0	\$ 0	\$ 3,322,131
Discount on Property Taxes	(32,680)	0	0	(32,680)
Trustee's Collections - Prior Year	87,761	0	0	87,761
Trustee's Collections - Bankruptcy	177	0	0	177
Circuit Clerk/Clerk and Master Collections - Prior Years	40,591	0	0	40,591
Interest and Penalty	13,602	0	0	13,602
<u>County Local Option Taxes</u>				
Local Option Sales Tax	2,432,007	0	0	2,432,007
<u>Statutory Local Taxes</u>				
Bank Excise Tax	53,142	0	0	53,142
Total Local Taxes	<u>\$ 5,916,731</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,916,731</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,615	\$ 0	\$ 0	\$ 1,615
Total Licenses and Permits	<u>\$ 1,615</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,615</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 1,310	\$ 0	\$ 0	\$ 1,310
Lunch Payments - Children	0	0	94,272	94,272
Lunch Payments - Adults	0	0	50,504	50,504
Income from Breakfast	0	0	38,542	38,542
A la Carte Sales	0	0	131,809	131,809

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Receipts from Individual Schools	\$ 40,756	\$ 0	\$ 0	\$ 40,756
Other Charges for Services	0	0	1,367	1,367
Total Charges for Current Services	\$ 42,066	\$ 0	\$ 316,494	\$ 358,560
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 3,670	\$ 0	\$ 0	\$ 3,670
Lease/Rentals	350	0	0	350
Sale of Materials and Supplies	113	0	0	113
Miscellaneous Refunds	50,189	0	328	50,517
<u>Nonrecurring Items</u>				
Contributions and Gifts	4,354	0	0	4,354
<u>Other Local Revenues</u>				
Other Local Revenues	140	0	0	140
Total Other Local Revenues	\$ 58,816	\$ 0	\$ 328	\$ 59,144
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 80,454	\$ 0	\$ 0	\$ 80,454
<u>State Education Funds</u>				
Basic Education Program	24,812,832	0	0	24,812,832
Early Childhood Education	306,009	0	0	306,009
School Food Service	22,221	0	0	22,221
Driver Education	12,482	0	0	12,482

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Other State Education Funds	\$ 302,339	\$ 0	\$ 0	\$ 302,339
Career Ladder Program	60,548	0	0	60,548
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	181,630	0	0	181,630
Other State Grants	115,000	0	0	115,000
Safe Schools	88,893	0	0	88,893
Total State of Tennessee	<u>\$ 25,982,408</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,982,408</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,304,623	\$ 1,304,623
USDA - Commodities	0	0	156,561	156,561
Breakfast	0	0	564,105	564,105
USDA - Other	0	0	14,015	14,015
Vocational Education - Basic Grants to States	0	80,588	0	80,588
Title I Grants to Local Education Agencies	0	1,242,495	0	1,242,495
Special Education - Grants to States	70,269	871,324	0	941,593
Special Education Preschool Grants	0	37,589	0	37,589
English Language Acquisition Grants	0	14,126	0	14,126
Rural Education	0	71,699	0	71,699
Eisenhower Professional Development State Grants	0	175,913	0	175,913
Other Federal through State	0	95,080	0	95,080
Total Federal Government	<u>\$ 70,269</u>	<u>\$ 2,588,814</u>	<u>\$ 2,039,304</u>	<u>\$ 4,698,387</u>
Total	<u>\$ 32,071,905</u>	<u>\$ 2,588,814</u>	<u>\$ 2,356,126</u>	<u>\$ 37,016,845</u>

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

General FundGeneral GovernmentCounty Commission

County Official/Administrative Officer	\$	2,300	
Board and Committee Members Fees		41,850	
Social Security		3,369	
Pensions		432	
Audit Services		8,454	
Dues and Memberships		1,350	
Legal Services		44,906	
Legal Notices, Recording, and Court Costs		1,847	
Total County Commission			\$ 104,508

Board of Equalization

Board and Committee Members Fees	\$	2,000	
Total Board of Equalization			2,000

Beer Board

Legal Notices, Recording, and Court Costs	\$	98	
Total Beer Board			98

Budget and Finance Committee

Legal Notices, Recording, and Court Costs	\$	122	
Other Supplies and Materials		181	
Total Budget and Finance Committee			303

Other Boards and Committees

Legal Notices, Recording, and Court Costs	\$	989	
Total Other Boards and Committees			989

County Mayor/Executive

County Official/Administrative Officer	\$	85,435	
Accountants/Bookkeepers		137,705	
Salary Supplements		1,084	
Overtime Pay		2,800	
In-service Training		916	
Social Security		17,184	
Pensions		10,285	
Dues and Memberships		1,350	
Maintenance and Repair Services - Equipment		1,550	
Maintenance and Repair Services - Office Equipment		15,498	
Postal Charges		1,145	
Printing, Stationery, and Forms		3,556	
Travel		1,927	
Other Contracted Services		8,150	
Office Supplies		519	
Premiums on Corporate Surety Bonds		12	
Data Processing Equipment		228	
Office Equipment		1,927	
Total County Mayor/Executive			291,271

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Other Contracted Services	\$ 11,241	
Total County Attorney		\$ 11,241

Election Commission

County Official/Administrative Officer	\$ 66,574	
Deputy(ies)	30,035	
Temporary Personnel	3,500	
Election Commission	8,775	
Election Workers	5,010	
Social Security	8,303	
Pensions	5,307	
Dues and Memberships	350	
Legal Notices, Recording, and Court Costs	3,409	
Maintenance and Repair Services - Buildings	638	
Maintenance and Repair Services - Equipment	11,061	
Postal Charges	1,689	
Printing, Stationery, and Forms	524	
Rentals	100	
Travel	138	
Other Contracted Services	10,500	
Office Supplies	1,193	
Utilities	2,707	
Liability Insurance	2,270	
Office Equipment	2,779	
Total Election Commission		164,862

Register of Deeds

County Official/Administrative Officer	\$ 73,971	
Deputy(ies)	41,254	
Social Security	8,739	
Pensions	6,324	
Dues and Memberships	775	
Legal Notices, Recording, and Court Costs	902	
Postal Charges	200	
Printing, Stationery, and Forms	4,316	
Travel	808	
Office Supplies	2,412	
Other Supplies and Materials	160	
Data Processing Equipment	8,973	
Total Register of Deeds		148,834

Development

Maintenance and Repair Services - Buildings	\$ 4,600	
Other Contracted Services	7,200	
Other Charges	154	
Total Development		11,954

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning

Supervisor/Director	\$	43,970	
Board and Committee Members Fees		1,650	
In-service Training		85	
Social Security		3,331	
Pensions		2,361	
Communication		571	
Contracts with Government Agencies		9,250	
Dues and Memberships		12	
Legal Notices, Recording, and Court Costs		2,232	
Maintenance and Repair Services - Vehicles		1,253	
Postal Charges		270	
Other Contracted Services		600	
Gasoline		1,370	
Office Supplies		1,102	
Other Supplies and Materials		90	
Premiums on Corporate Surety Bonds		700	
Total Planning			\$ 68,847

Building

Maintenance and Repair Services - Buildings	\$	33,417	
Maintenance and Repair Services - Equipment		490	
Electricity		8,989	
Water and Sewer		735	
Total Building			43,631

County Buildings

Supervisor/Director	\$	30,181	
Overtime Pay		2,350	
Social Security		2,394	
Pensions		1,782	
Communication		28,246	
Licenses		175	
Maintenance and Repair Services - Buildings		11,298	
Other Contracted Services		2,021	
Electricity		15,860	
Water and Sewer		6,158	
Other Supplies and Materials		5,136	
Other Charges		225	
Building Improvements		1,665	
Office Equipment		859	
Total County Buildings			108,350

Other Facilities

Custodial Personnel	\$	18,008	
Maintenance Personnel		30,181	
Overtime Pay		174	
Social Security		3,567	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Pensions	\$	2,653	
Communication		32,302	
Maintenance and Repair Services - Buildings		89,707	
Pest Control		1,870	
Custodial Supplies		5,529	
Electricity		85,713	
Water and Sewer		126,054	
Total Other Facilities			\$ 395,758

Other General Administration

Supervisor/Director	\$	1,473	
Social Security		108	
Pensions		81	
Total Other General Administration			1,662

Preservation of Records

Part-time Personnel	\$	9,103	
Social Security		696	
Contributions		7,500	
Maintenance and Repair Services - Buildings		1,588	
Other Supplies and Materials		2,246	
Total Preservation of Records			21,133

Risk Management

Supervisor/Director	\$	14,646	
Social Security		1,115	
Pensions		806	
Other Contracted Services		2,867	
Total Risk Management			19,434

Finance

Central Services

Dispatchers/Radio Operators	\$	299,396	
Overtime Pay		56,471	
Social Security		26,498	
Pensions		17,976	
Maintenance and Repair Services - Buildings		1,053	
Utilities		12,085	
Total Central Services			413,479

Property Assessor's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		86,951	
Overtime Pay		107	
Other Salaries and Wages		4,680	
Social Security		12,405	
Pensions		7,295	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Contracts with Other Public Agencies	\$	13,872	
Legal Notices, Recording, and Court Costs		231	
Maintenance and Repair Services - Vehicles		4,008	
Postal Charges		1,208	
Travel		547	
Office Supplies		200	
Premiums on Corporate Surety Bonds		175	
Motor Vehicles		31,494	
Office Equipment		761	
Total Property Assessor's Office			\$ 237,905

Reappraisal Program

Maintenance and Repair Services - Vehicles	\$	481	
Gasoline		1,237	
Office Supplies		55	
Total Reappraisal Program			1,773

County Trustee's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		58,718	
Overtime Pay		2,109	
Other Salaries and Wages		11,133	
Social Security		10,869	
Pensions		7,397	
Data Processing Services		10,516	
Dues and Memberships		680	
Maintenance and Repair Services - Office Equipment		10,133	
Postal Charges		1,261	
Printing, Stationery, and Forms		560	
Travel		671	
Office Supplies		825	
Data Processing Equipment		961	
Office Equipment		250	
Total County Trustee's Office			190,054

County Clerk's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		170,926	
Overtime Pay		1,200	
Social Security		18,108	
Pensions		13,495	
Dues and Memberships		912	
Maintenance and Repair Services - Office Equipment		335	
Postal Charges		5,160	
Printing, Stationery, and Forms		1,152	
Travel		808	
Office Supplies		1,717	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Other Supplies and Materials	\$ 7,863	
Premiums on Corporate Surety Bonds	210	
Total County Clerk's Office		\$ 295,857

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 73,971	
Deputy(ies)	199,966	
Overtime Pay	496	
Board and Committee Members Fees	60	
Jury and Witness Expense	6,678	
Social Security	20,168	
Pensions	15,047	
Dues and Memberships	560	
Legal Notices, Recording, and Court Costs	60	
Maintenance and Repair Services - Equipment	434	
Postal Charges	3,494	
Printing, Stationery, and Forms	2,107	
Travel	628	
Other Contracted Services	1,396	
Instructional Supplies and Materials	1,528	
Office Supplies	7,983	
Premiums on Corporate Surety Bonds	400	
Other Charges	664	
Data Processing Equipment	52,206	
Office Equipment	210	
Other Equipment	13,572	
Total Circuit Court		401,628

General Sessions Court

Judge(s)	\$ 104,761	
Social Security	8,014	
Pensions	5,762	
Dues and Memberships	150	
Travel	1,501	
Total General Sessions Court		120,188

Chancery Court

County Official/Administrative Officer	\$ 73,971	
Deputy(ies)	52,785	
Social Security	9,582	
Pensions	6,959	
Dues and Memberships	620	
Legal Notices, Recording, and Court Costs	29	
Maintenance and Repair Services - Office Equipment	10,816	
Postal Charges	883	
Office Supplies	1,418	
Data Processing Equipment	4,735	
Total Chancery Court		161,798

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Youth Service Officer(s)	\$	32,864	
Social Security		2,514	
Pensions		1,801	
Contracts with Government Agencies		1,525	
Dues and Memberships		125	
Printing, Stationery, and Forms		437	
Travel		1,244	
Office Supplies		289	
Other Supplies and Materials		602	
Total Juvenile Court			\$ 41,401

Judicial Commissioners

County Official/Administrative Officer	\$	27,889	
Social Security		2,133	
Total Judicial Commissioners			30,022

Probation Services

Probation Officer(s)	\$	112,046	
Overtime Pay		1,634	
Social Security		8,512	
Pensions		6,226	
Evaluation and Testing		2,636	
Postal Charges		100	
Printing, Stationery, and Forms		1,093	
Travel		255	
Office Supplies		996	
Premiums on Corporate Surety Bonds		400	
Office Equipment		997	
Total Probation Services			134,895

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,368	
Deputy(ies)		1,307,513	
Salary Supplements		20,800	
Clerical Personnel		123,264	
Overtime Pay		7,551	
Other Salaries and Wages		50,954	
In-service Training		11,470	
Social Security		118,835	
Pensions		85,589	
Contracts with Private Agencies		5,412	
Dues and Memberships		1,500	
Maintenance and Repair Services - Equipment		806	
Maintenance and Repair Services - Vehicles		18,762	
Travel		5,484	
Other Contracted Services		8,714	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Gasoline	\$	62,734	
Lubricants		1,307	
Office Supplies		6,639	
Tires and Tubes		8,721	
Uniforms		6,279	
Premiums on Corporate Surety Bonds		4,400	
Other Charges		6,832	
Law Enforcement Equipment		28,241	
Motor Vehicles		103,621	
Office Equipment		2,572	
Total Sheriff's Department			\$ 2,079,368

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	750	
Law Enforcement Equipment		1,066	
Total Administration of the Sexual Offender Registry			1,816

Jail

County Official/Administrative Officer	\$	36,545	
Medical Personnel		86,898	
Guards		656,043	
Cafeteria Personnel		56,232	
Overtime Pay		6,590	
Other Salaries and Wages		47,505	
In-service Training		450	
Social Security		66,995	
Pensions		47,131	
Maintenance and Repair Services - Buildings		9,002	
Medical and Dental Services		118,099	
Travel		4,294	
Custodial Supplies		29,457	
Food Supplies		207,176	
Office Supplies		2,933	
Uniforms		2,979	
Other Supplies and Materials		15,687	
Communication Equipment		7,325	
Data Processing Equipment		20,886	
Law Enforcement Equipment		6,353	
Other Equipment		27,982	
Total Jail			1,456,562

Workhouse

Truck Drivers	\$	24,632	
Guards		24,752	
Part-time Personnel		5,606	
Social Security		2,677	
Pensions		2,710	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Maintenance and Repair Services - Vehicles	\$ 822	
Instructional Supplies and Materials	11,976	
Other Charges	3,144	
Other Equipment	2,470	
Total Workhouse		\$ 78,789

Fire Prevention and Control

Contributions	\$ 1,500	
Maintenance and Repair Services - Vehicles	982	
Diesel Fuel	651	
Other Equipment	960	
Total Fire Prevention and Control		4,093

Rural Fire Protection

Other Contracted Services	\$ 45,900	
Total Rural Fire Protection		45,900

Civil Defense

Supervisor/Director	\$ 6,705	
In-service Training	290	
Social Security	513	
Pensions	367	
Legal Notices, Recording, and Court Costs	16	
Maintenance and Repair Services - Vehicles	2,734	
Gasoline	732	
Office Supplies	572	
Uniforms	497	
Communication Equipment	1,620	
Other Equipment	5,985	
Total Civil Defense		20,031

Rescue Squad

Gasoline	\$ 393	
Liability Insurance	585	
Other Equipment	824	
Total Rescue Squad		1,802

Disaster Relief

In-service Training	\$ 500	
Maintenance and Repair Services - Buildings	2,735	
Maintenance and Repair Services - Vehicles	2,595	
Gasoline	309	
Utilities	4,224	
Other Equipment	14,710	
Total Disaster Relief		25,073

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

In-service Training	\$	1,700	
Maintenance and Repair Services - Buildings		968	
Maintenance and Repair Services - Vehicles		1,486	
Other Contracted Services		300	
Drugs and Medical Supplies		299	
Gasoline		113	
Office Supplies		300	
Utilities		3,245	
Other Equipment		8,479	
Total Other Emergency Management			\$ 16,890

County Coroner/Medical Examiner

Medical Personnel	\$	6,500	
Medical and Dental Services		5,625	
Total County Coroner/Medical Examiner			12,125

Other Public Safety

Maintenance Personnel	\$	3,000	
In-service Training		3,796	
Dues and Memberships		847	
Maintenance and Repair Services - Buildings		790	
Maintenance and Repair Services - Equipment		61	
Maintenance and Repair Services - Vehicles		1,442	
Gasoline		541	
Road Signs		3,881	
Utilities		1,892	
Other Equipment		5,827	
Total Other Public Safety			22,077

Public Health and Welfare

Local Health Center

Advertising	\$	397	
Janitorial Services		7,200	
Maintenance and Repair Services - Buildings		6,721	
Custodial Supplies		532	
Drugs and Medical Supplies		617	
Office Supplies		1,411	
Uniforms		600	
Utilities		12,916	
Other Supplies and Materials		686	
Total Local Health Center			31,080

Rabies and Animal Control

Attendants	\$	44,379	
Part-time Personnel		9,960	
Overtime Pay		2,586	
Social Security		4,345	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Pensions	\$	3,085	
Maintenance and Repair Services - Buildings		3,871	
Maintenance and Repair Services - Vehicles		629	
Veterinary Services		4,219	
Other Contracted Services		785	
Gasoline		2,854	
Uniforms		726	
Utilities		3,799	
Other Supplies and Materials		856	
Total Rabies and Animal Control			\$ 82,094

Ambulance/Emergency Medical Services

Supervisor/Director	\$	57,075	
Accountants/Bookkeepers		60,234	
Medical Personnel		698,571	
Overtime Pay		520,027	
In-service Training		12,277	
Social Security		99,657	
Pensions		71,452	
Dues and Memberships		895	
Laundry Service		7,377	
Licenses		2,845	
Maintenance and Repair Services - Buildings		14,164	
Maintenance and Repair Services - Vehicles		29,266	
Postal Charges		496	
Travel		404	
Other Contracted Services		57,171	
Custodial Supplies		3,612	
Drugs and Medical Supplies		97,279	
Gasoline		35,183	
Instructional Supplies and Materials		2,181	
Office Supplies		4,409	
Tires and Tubes		2,329	
Uniforms		8,839	
Utilities		49,171	
Workers' Compensation Insurance		500	
Fines, Assessments, and Penalties		33,953	
Communication Equipment		1,178	
Motor Vehicles		138,277	
Other Equipment		3,856	
Total Ambulance/Emergency Medical Services			2,012,678

Crippled Children Services

Contracts with Government Agencies	\$	2,878	
Total Crippled Children Services			2,878

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Social Workers	\$ 91,023	
Part-time Personnel	28,662	
Social Security	8,916	
Pensions	5,006	
Travel	5,218	
Total Other Local Health Services		\$ 138,825

Regional Mental Health Center

Contributions	\$ 7,953	
Total Regional Mental Health Center		7,953

Appropriation to State

Other Contracted Services	\$ 32,840	
Total Appropriation to State		32,840

Other Local Welfare Services

Contributions	\$ 57,723	
Pauper Burials	1,115	
Total Other Local Welfare Services		58,838

Social, Cultural, and Recreational Services

Adult Activities

Matching Share	\$ 6,000	
Total Adult Activities		6,000

Senior Citizens Assistance

Contributions	\$ 15,000	
Total Senior Citizens Assistance		15,000

Libraries

Supervisor/Director	\$ 32,990	
Clerical Personnel	88,841	
Custodial Personnel	9,318	
Social Security	9,379	
Pensions	4,892	
Communication	7,119	
Dues and Memberships	380	
Maintenance and Repair Services - Buildings	4,461	
Postal Charges	200	
Travel	600	
Other Contracted Services	3,064	
Custodial Supplies	929	
Library Books/Media	4,500	
Office Supplies	550	
Utilities	13,838	
Other Supplies and Materials	1,561	
Other Charges	95	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Data Processing Equipment	\$ 2,248	
Office Equipment	598	
Total Libraries		\$ 185,563

Parks and Fair Boards

Contributions	\$ 34,500	
Utilities	12,000	
Total Parks and Fair Boards		46,500

Other Social, Cultural, and Recreational

In-service Training	\$ 1,500	
Travel	1,211	
Other Contracted Services	5,000	
Library Books/Media	5,550	
Other Charges	2,539	
Total Other Social, Cultural, and Recreational		15,800

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 23,978	
Secretary(ies)	7,987	
Social Security	2,537	
Pensions	4,458	
Employee and Dependent Insurance	8,481	
Dues and Memberships	323	
Maintenance and Repair Services - Buildings	993	
Travel	1,000	
Utilities	4,425	
Office Equipment	2,000	
Total Agricultural Extension Service		56,182

Soil Conservation

Clerical Personnel	\$ 30,784	
Social Security	2,355	
Pensions	1,687	
Contributions	22,000	
Total Soil Conservation		56,826

Other Operations

Tourism

Other Supplies and Materials	\$ 2,580	
Total Tourism		2,580

Industrial Development

Other Contracted Services	\$ 66	
Other Charges	2,492	
Total Industrial Development		2,558

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$ 21,424	
Social Security	1,639	
Pensions	1,175	
Travel	434	
Other Contracted Services	936	
Office Supplies	461	
Office Equipment	60	
Total Veterans' Services		\$ 26,129

Other Charges

Employee and Dependent Insurance	\$ 643,892	
Liability Insurance	210,332	
Trustee's Commission	141,877	
Workers' Compensation Insurance	232,974	
Total Other Charges		1,229,075

Contributions to Other Agencies

Maintenance and Repair Services - Buildings	\$ 1,452	
Total Contributions to Other Agencies		1,452

Employee Benefits

Unemployment Compensation	\$ 6,224	
Other Charges	37	
Total Employee Benefits		6,261

COVID-19 Grant #1

Drugs and Medical Supplies	\$ 67,269	
Total COVID-19 Grant #1		67,269

Miscellaneous

Contributions	\$ 7,000	
Dues and Memberships	5,211	
Total Miscellaneous		12,211

Total General Fund \$ 11,284,993

Solid Waste/Sanitation Fund

Public Health and Welfare

Transfer Stations

Accountants/Bookkeepers	\$ 39,541	
Equipment Operators - Heavy	114,351	
Overtime Pay	4,406	
Social Security	11,633	
Pensions	6,877	
Employee and Dependent Insurance	32,300	
Legal Notices, Recording, and Court Costs	926	
Maintenance and Repair Services - Vehicles	22,075	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Travel	\$	52	
Contracts for Landfill Facilities		113,697	
Custodial Supplies		1,828	
Gasoline		18,924	
Office Supplies		2,848	
Utilities		7,166	
Other Supplies and Materials		13,686	
Trustee's Commission		3,858	
Landfill Closure/Postclosure Care Costs		33,213	
Building Construction		49,250	
Office Equipment		9,451	
Solid Waste Equipment		133,740	
Total Transfer Stations			\$ 619,822

Total Solid Waste/Sanitation Fund \$ 619,822

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	2,500	
Other Charges		2,890	
Law Enforcement Equipment		8,184	
Motor Vehicles		32,419	
Total Drug Enforcement			\$ 45,993

Total Drug Control Fund 45,993

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	81,368	
Secretary(ies)		65,558	
Overtime Pay		3,012	
Advertising		397	
Data Processing Services		9,944	
Dues and Memberships		2,861	
Evaluation and Testing		268	
Janitorial Services		1,341	
Laundry Service		908	
Legal Notices, Recording, and Court Costs		86	
Postal Charges		330	
Printing, Stationery, and Forms		508	
Tuition		160	
Custodial Supplies		207	
Office Supplies		738	
Other Charges		844	
Data Processing Equipment		1,842	
Total Administration			\$ 170,372

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Equipment Operators	\$	179,692	
Truck Drivers		193,644	
Laborers		212,978	
Overtime Pay		7,518	
Rentals		6,685	
Other Contracted Services		8,427	
Asphalt		179,907	
Asphalt - Cold Mix		27,081	
Concrete		12,418	
Crushed Stone		505,460	
Diesel Fuel		128,300	
Ice		13	
Pipe - Metal		33,367	
Road Signs		2,684	
Small Tools		1,096	
Wood Products		3,836	
Other Supplies and Materials		4,980	
Total Highway and Bridge Maintenance			\$ 1,508,086

Operation and Maintenance of Equipment

Mechanic(s)	\$	93,247	
Overtime Pay		130	
Freight Expenses		3,047	
Maintenance and Repair Services - Equipment		15,369	
Towing Services		660	
Other Contracted Services		1,049	
Equipment and Machinery Parts		119,160	
Garage Supplies		4,083	
Gasoline		16,588	
Lubricants		21,510	
Small Tools		1,014	
Tires and Tubes		46,692	
Total Operation and Maintenance of Equipment			322,549

Other Charges

Communication	\$	5,370	
Pest Control		210	
Electricity		4,740	
Water and Sewer		418	
Liability Insurance		113,122	
Trustee's Commission		31,188	
Liability Claims		830	
Total Other Charges			155,878

Employee Benefits

Social Security	\$	51,903	
Pensions		43,700	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Medical Insurance	\$ 133,243	
Unemployment Compensation	5,460	
Employer Medicare	12,139	
Workers' Compensation Insurance	<u>58,243</u>	
Total Employee Benefits		\$ 304,688

Capital Outlay

Engineering Services	\$ 3,888	
Asphalt	45,541	
Crushed Stone	46,949	
General Construction Materials	499	
Bridge Construction	156,102	
Highway Construction	2,638,380	
Highway Equipment	<u>28,500</u>	
Total Capital Outlay		2,919,859

Principal on Debt

Highways and Streets

Principal on Notes	\$ <u>160,329</u>	
Total Highways and Streets		160,329

Interest on Debt

Highways and Streets

Interest on Notes	\$ <u>21,168</u>	
Total Highways and Streets		<u>21,168</u>

Total Highway/Public Works Fund \$ 5,562,929

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$ <u>451,263</u>	
Total General Government		\$ 451,263

Highways and Streets

Principal on Notes	\$ <u>741,948</u>	
Total Highways and Streets		741,948

Education

Principal on Notes	\$ <u>570,225</u>	
Total Education		570,225

Interest on Debt

General Government

Interest on Notes	\$ <u>8,326</u>	
Total General Government		8,326

(Continued)

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Highways and Streets

Interest on Notes	\$ 16,052	
Total Highways and Streets		\$ 16,052

Education

Interest on Notes	\$ 12,174	
Total Education		12,174

Other Debt Service

General Government

Trustee's Commission	\$ 7,934	
Total General Government		<u>7,934</u>

Total General Debt Service Fund		\$ 1,807,922
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Special Debt Service Fund

Other Operations

Other Charges

Trustee's Commission	\$ 13,708	
Total Other Charges		<u>\$ 13,708</u>

Total Special Debt Service Fund		13,708
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General Capital Projects Fund

Capital Projects

General Administration Projects

Consultants	\$ 3,000	
Engineering Services	9,750	
Site Development	<u>78,632</u>	
Total General Administration Projects		\$ 91,382

Public Safety Projects

Engineering Services	\$ 43,295	
Other Equipment	<u>83,125</u>	
Total Public Safety Projects		126,420

Other General Government Projects

Consultants	\$ 10,569	
Building Improvements	<u>289,282</u>	
Total Other General Government Projects		<u>299,851</u>

Total General Capital Projects Fund		<u>517,653</u>
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Total Governmental Funds - Primary Government		<u>\$ 19,853,020</u>
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Macon County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Macon County School Department
For the Year Ended June 30, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	10,409,845	
Career Ladder Program		45,670	
Career Ladder Extended Contracts		14,890	
Homebound Teachers		13,079	
Educational Assistants		465,185	
Bonus Payments		188,250	
Certified Substitute Teachers		40,644	
Non-certified Substitute Teachers		51,409	
Social Security		647,465	
Pensions		1,059,722	
Life Insurance		6,153	
Medical Insurance		1,713,911	
Unemployment Compensation		5,938	
Employer Medicare		153,154	
Contracts with Other Public Agencies		6,433	
Instructional Supplies and Materials		73,258	
Textbooks - Bound		299,851	
Software		45,450	
Fee Waivers		12,799	
Regular Instruction Equipment		309,038	
Total Regular Instruction Program			\$ 15,562,144

Alternative Instruction Program

Teachers	\$	113,925	
Career Ladder Program		2,000	
Educational Assistants		23,290	
Bonus Payments		2,400	
Certified Substitute Teachers		1,845	
Non-certified Substitute Teachers		244	
Social Security		8,761	
Pensions		13,210	
Life Insurance		58	
Unemployment Compensation		112	
Employer Medicare		2,084	
Total Alternative Instruction Program			167,929

Special Education Program

Teachers	\$	1,250,392	
Career Ladder Program		3,000	
Homebound Teachers		8,497	
Educational Assistants		160,027	
Speech Pathologist		53,205	
Bonus Payments		22,350	
Certified Substitute Teachers		3,041	
In-service Training		75	
Non-certified Substitute Teachers		5,158	

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	87,453	
Pensions		135,266	
Life Insurance		808	
Medical Insurance		292,264	
Unemployment Compensation		939	
Employer Medicare		20,542	
Contracts with Private Agencies		46,974	
Other Contracted Services		51,516	
Instructional Supplies and Materials		3,065	
Other Supplies and Materials		26	
Special Education Equipment		29,918	
Total Special Education Program			\$ 2,174,516

Career and Technical Education Program

Teachers	\$	671,049	
Bonus Payments		9,300	
Certified Substitute Teachers		7,112	
Non-certified Substitute Teachers		4,037	
Social Security		39,835	
Pensions		59,392	
Life Insurance		433	
Medical Insurance		86,632	
Unemployment Compensation		419	
Employer Medicare		9,607	
Contracts with Other School Systems		309,599	
Other Contracted Services		3,000	
Instructional Supplies and Materials		9,000	
Other Supplies and Materials		2,945	
Vocational Instruction Equipment		8,395	
Total Career and Technical Education Program			1,220,755

Support Services

Attendance

Supervisor/Director	\$	68,131	
Career Ladder Program		1,000	
Bonus Payments		1,200	
Social Security		4,325	
Pensions		7,630	
Life Insurance		29	
Medical Insurance		6,924	
Unemployment Compensation		21	
Employer Medicare		1,012	
Travel		2,589	
Software		21,090	
Other Supplies and Materials		5,215	
Attendance Equipment		9,481	
Total Attendance			128,647

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Assistant(s)	\$	24,464	
Supervisor/Director		65,800	
Medical Personnel		180,941	
Social Security		14,950	
Pensions		25,669	
Medical Insurance		77,823	
Unemployment Compensation		194	
Employer Medicare		3,496	
Communication		1,200	
Travel		316	
Drugs and Medical Supplies		5,999	
Other Supplies and Materials		2,500	
In Service/Staff Development		1,470	
Other Charges		12,920	
Health Equipment		5,318	
Total Health Services			\$ 423,060

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		383,360	
Bonus Payments		6,600	
Social Security		23,266	
Pensions		38,180	
Life Insurance		203	
Medical Insurance		57,391	
Unemployment Compensation		168	
Employer Medicare		5,441	
Contracts with Government Agencies		382,204	
Evaluation and Testing		11,640	
Other Contracted Services		54,125	
Other Supplies and Materials		3,626	
Other Equipment		6,903	
Total Other Student Support			976,107

Regular Instruction Program

Supervisor/Director	\$	83,682	
Career Ladder Program		8,000	
Librarians		342,043	
Instructional Computer Personnel		13,500	
Clerical Personnel		32,318	
Bonus Payments		11,250	
Other Salaries and Wages		109,118	
In-service Training		172	
Social Security		32,890	
Pensions		56,972	
Life Insurance		254	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	57,462	
Unemployment Compensation		248	
Employer Medicare		8,347	
Travel		2,150	
Other Contracted Services		2,257	
Library Books/Media		32,011	
Other Supplies and Materials		6,637	
In Service/Staff Development		20,581	
Other Equipment		32,479	
Total Regular Instruction Program			\$ 852,371

Special Education Program

Supervisor/Director	\$	76,589	
Career Ladder Program		1,000	
Psychological Personnel		141,746	
Assessment Personnel		40,552	
Clerical Personnel		28,221	
Bonus Payments		3,000	
Social Security		14,561	
Pensions		25,186	
Life Insurance		86	
Medical Insurance		35,271	
Unemployment Compensation		126	
Employer Medicare		3,993	
Contracts with Private Agencies		46,470	
Travel		2,285	
Other Contracted Services		7,274	
Other Supplies and Materials		3,222	
In Service/Staff Development		1,126	
Other Equipment		2,051	
Total Special Education Program			432,759

Career and Technical Education Program

Other Salaries and Wages	\$	26,027	
Unemployment Compensation		21	
Employer Medicare		366	
Other Supplies and Materials		574	
In Service/Staff Development		1,854	
Other Charges		1,324	
Total Career and Technical Education Program			30,166

Technology

Supervisor/Director	\$	76,144	
Clerical Personnel		41,026	
Bonus Payments		1,200	
Social Security		6,916	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Pensions	\$	10,486	
Life Insurance		28	
Medical Insurance		15,949	
Unemployment Compensation		47	
Employer Medicare		1,617	
Internet Connectivity		60,954	
Other Contracted Services		237,796	
Software		20,000	
Other Equipment		16,961	
Total Technology			\$ 489,124

Other Programs

On-behalf Payments to OPEB	\$	80,454	
Total Other Programs			80,454

Board of Education

Board and Committee Members Fees	\$	14,600	
Social Security		905	
Employer Medicare		212	
Payments to Retirees		22,920	
Audit Services		6,750	
Dues and Memberships		13,394	
Legal Services		22,284	
Payments to Schools - Other		31,915	
Travel		1,471	
Trustee's Commission		135,539	
Workers' Compensation Insurance		206,348	
Refund to Applicant for Criminal Investigation		1,682	
Other Charges		37,460	
Total Board of Education			495,480

Director of Schools

County Official/Administrative Officer	\$	97,222	
Career Ladder Program		1,000	
Bonus Payments		1,200	
Social Security		6,119	
Pensions		10,569	
Life Insurance		29	
Medical Insurance		8,004	
Unemployment Compensation		21	
Employer Medicare		1,431	
Communication		29,137	
Dues and Memberships		2,563	
Postal Charges		4,788	
Travel		1,681	
Other Contracted Services		3,001	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Office Supplies	\$	3,775	
Administration Equipment		300	
Total Director of Schools			\$ 170,840

Office of the Principal

Principals	\$	607,249	
Career Ladder Program		3,000	
Accountants/Bookkeepers		186,896	
Assistant Principals		257,601	
Clerical Personnel		224,766	
Bonus Payments		12,600	
Social Security		76,882	
Pensions		114,281	
Life Insurance		336	
Medical Insurance		156,043	
Unemployment Compensation		643	
Employer Medicare		17,984	
Communication		2,393	
Total Office of the Principal			1,660,674

Fiscal Services

Accountants/Bookkeepers	\$	80,001	
Clerical Personnel		101,090	
Social Security		9,971	
Pensions		9,952	
Medical Insurance		43,800	
Unemployment Compensation		109	
Employer Medicare		2,332	
Data Processing Services		15,982	
Travel		3,002	
Other Contracted Services		1,285	
Data Processing Supplies		1,644	
Office Supplies		189	
Administration Equipment		1,507	
Total Fiscal Services			270,864

Operation of Plant

Custodial Personnel	\$	594,096	
Other Salaries and Wages		9,808	
Social Security		36,109	
Pensions		32,669	
Medical Insurance		128,002	
Unemployment Compensation		672	
Employer Medicare		8,477	
Disposal Fees		32,400	
Custodial Supplies		123,376	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Electricity	\$	610,893	
Natural Gas		39,950	
Propane Gas		1,542	
Water and Sewer		101,537	
Other Supplies and Materials		3,151	
Building and Contents Insurance		237,648	
Total Operation of Plant			\$ 1,960,330

Maintenance of Plant

Supervisor/Director	\$	44,720	
Clerical Personnel		25,341	
Maintenance Personnel		304,643	
Other Salaries and Wages		5,328	
Social Security		23,030	
Pensions		21,175	
Medical Insurance		76,147	
Unemployment Compensation		224	
Employer Medicare		5,386	
Travel		522	
Other Contracted Services		74,450	
Other Supplies and Materials		199,216	
Administration Equipment		36,389	
Maintenance Equipment		24,294	
Total Maintenance of Plant			840,865

Transportation

Supervisor/Director	\$	42,640	
Mechanic(s)		180,901	
Bus Drivers		596,307	
Clerical Personnel		28,491	
Other Salaries and Wages		17,117	
Social Security		47,955	
Pensions		38,909	
Medical Insurance		54,678	
Unemployment Compensation		818	
Employer Medicare		12,358	
Medical and Dental Services		8,235	
Diesel Fuel		193,396	
Garage Supplies		25,803	
Lubricants		13,186	
Tires and Tubes		29,392	
Vehicle Parts		121,073	
Other Charges		26,594	
Transportation Equipment		251,349	
Total Transportation			1,689,202

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	41,357	
Social Security		2,527	
Pensions		2,275	
Medical Insurance		6,924	
Unemployment Compensation		21	
Employer Medicare		591	
Total Food Service			\$ 53,695

Early Childhood Education

Supervisor/Director	\$	3,302	
Teachers		156,525	
Career Ladder Program		1,000	
Educational Assistants		46,665	
Bonus Payments		3,300	
Certified Substitute Teachers		90	
Non-certified Substitute Teachers		763	
Social Security		11,759	
Pensions		19,968	
Life Insurance		88	
Medical Insurance		40,356	
Unemployment Compensation		147	
Employer Medicare		2,754	
Travel		2,913	
Instructional Supplies and Materials		11,858	
In Service/Staff Development		120	
Other Charges		2,964	
Other Equipment		5,590	
Total Early Childhood Education			310,162

Capital Outlay

Regular Capital Outlay

Architects	\$	908,450	
Building Improvements		702,189	
Other Capital Outlay		130,609	
Total Regular Capital Outlay			1,741,248

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	301,956	
Total Education			301,956

Total General Purpose School Fund \$ 32,033,348

(Continued)

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	226,070	
Educational Assistants		352,500	
Certified Substitute Teachers		3,826	
Non-certified Substitute Teachers		2,503	
Social Security		33,420	
Pensions		41,692	
Life Insurance		115	
Medical Insurance		27,732	
Unemployment Compensation		574	
Employer Medicare		7,884	
Instructional Supplies and Materials		65,673	
Regular Instruction Equipment		11,751	
Total Regular Instruction Program			\$ 773,740

Special Education Program

Educational Assistants	\$	506,562	
Other Salaries and Wages		8,010	
Social Security		28,688	
Pensions		28,249	
Medical Insurance		70,000	
Unemployment Compensation		758	
Employer Medicare		6,720	
Contracts with Private Agencies		25,211	
Maintenance and Repair Services - Equipment		176	
Other Contracted Services		50,205	
Instructional Supplies and Materials		3,005	
Special Education Equipment		14,599	
Total Special Education Program			742,183

Career and Technical Education Program

Instructional Supplies and Materials	\$	8,432	
Other Supplies and Materials		2,725	
Vocational Instruction Equipment		56,021	
Total Career and Technical Education Program			67,178

Support Services

Other Student Support

Other Salaries and Wages	\$	1,500	
Social Security		93	
Pensions		159	
Employer Medicare		22	
Other Contracted Services		3,000	
In Service/Staff Development		6,716	
Other Charges		19,975	
Total Other Student Support			31,465

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	79,441	
Clerical Personnel		34,174	
Other Salaries and Wages		410,235	
Social Security		30,083	
Pensions		49,814	
Life Insurance		229	
Medical Insurance		42,698	
Unemployment Compensation		203	
Employer Medicare		7,294	
Other Supplies and Materials		1,743	
In Service/Staff Development		62,701	
Other Charges		15,930	
Other Equipment		1,072	
Total Regular Instruction Program			\$ 735,617

Special Education Program

Other Salaries and Wages	\$	4,763	
Social Security		286	
Pensions		506	
Life Insurance		2	
Medical Insurance		577	
Employer Medicare		67	
Contracts with Private Agencies		43,516	
Maintenance and Repair Services - Equipment		1,055	
Travel		4,204	
Other Contracted Services		21,230	
Other Supplies and Materials		12,051	
In Service/Staff Development		9,405	
Total Special Education Program			97,662

Career and Technical Education Program

In Service/Staff Development	\$	1,716	
Total Career and Technical Education Program			1,716

Transportation

Bus Drivers	\$	23,140	
Other Salaries and Wages		39,524	
Social Security		3,879	
Pensions		1,519	
Unemployment Compensation		146	
Employer Medicare		908	
Diesel Fuel		72	
Total Transportation			69,188

(Continued)

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	4,000	
Teachers		30,585	
Clerical Personnel		2,500	
Social Security		2,290	
Pensions		2,550	
Life Insurance		1	
Medical Insurance		200	
Unemployment Compensation		6	
Employer Medicare		536	
Instructional Supplies and Materials		213	
Total Community Services			<u>\$ 42,881</u>

Total School Federal Projects Fund \$ 2,561,630

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Accountants/Bookkeepers	\$	22,183	
Cafeteria Personnel		732,489	
In-service Training		257	
Social Security		43,775	
Pensions		38,352	
Medical Insurance		187,153	
Unemployment Compensation		897	
Employer Medicare		10,268	
Communication		3,771	
Maintenance and Repair Services - Equipment		4,998	
Travel		1,280	
Other Contracted Services		14,561	
Food Supplies		1,113,243	
Office Supplies		1,147	
USDA - Commodities		156,561	
Other Supplies and Materials		19,412	
Workers' Compensation Insurance		27,931	
In Service/Staff Development		622	
Other Charges		1,469	
Administration Equipment		18,895	
Food Service Equipment		81,110	
Total Food Service			<u>\$ 2,480,374</u>

Total Central Cafeteria Fund 2,480,374

Total Governmental Funds - Macon County School Department \$ 37,075,352

Exhibit J-9

Macon 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	\$ 2,037,012
Total Cash Receipts	<u>\$ 2,037,012</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,016,642
Trustee's Commission	<u>20,370</u>
Total Cash Disbursements	<u>\$ 2,037,012</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2019	<u>0</u>
 Cash Balance, June 30, 2020	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Tennessee as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Macon 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 Macon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Macon County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, we did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a material weakness: 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Macon County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2020-002.

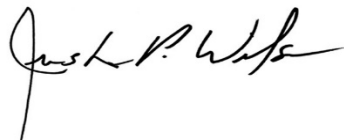
Macon County's Responses to Findings

Macon County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Macon 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 Macon County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 17, 2020

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Macon 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 Macon 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 Macon 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 Macon County's internal control over compliance.

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

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

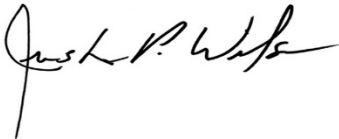
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements. We issued our report thereon dated December 17, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 17, 2020

JPW/tg

Macon County, Tennessee, and the Macon County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (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:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 91,668
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	156,561 (6)
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	340,694 (6)
COVID-19 - School Breakfast Program	10.553	(4)	223,411 (6)
National School Lunch Program	10.555	(4)	917,606 (6)
COVID-19 - National School Lunch Program	10.555	(4)	395,877 (6)
Snack Program	10.555	(4)	4,871 (6)
COVID-19 - Snack Program	10.555	(4)	284 (6)
Total U.S. Department of Agriculture			<u>\$ 2,130,972</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Housing and Urban Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			
	14.228	(4)	\$ 11,348
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	HM-18-13	286,961
Total U.S. Department of Housing and Urban Development			<u>\$ 298,309</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies			
Special Education Cluster: (5)	84.010	(4)	\$ 1,242,495
Special Education - Grants to States	84.027	(4)	941,581
Special Education - Preschool Grants	84.173	(4)	37,589
Career and Technical Education - Basic Grants to States	84.048	(4)	80,588
Twenty-first Century Community Learning Centers	84.287	(4)	44,435
Rural Education	84.358	(4)	71,699
Student Support and Academic Enrichment Program	84.424	(4)	21,299
English Language Acquisition State Grants	84.365	(4)	14,126
Supporting Effective Instruction State Grants	84.367	(4)	179,863
Total U.S. Department of Education			<u>\$ 2,633,675</u>
U.S. Elections Assistance Commission:			
Passed-through Secretary of State:			
HAVA Election Security Grant	90.404	(4)	\$ 1,764
Total U.S. Elections Assistance Commission			<u>\$ 1,764</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
CCDF Cluster: (5)			
Child Care and Development Block Grant	93.575	(4)	29,346
Total U.S. Department of Health and Human Services			<u>\$ 29,346</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 5,000
Total U.S. Department of Homeland Security			<u>\$ 5,000</u>
Total Expenditures of Federal Grants			<u>\$ 5,099,066</u>

(Continued)

Macon County, Tennessee, and the Macon County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

<u>State Grants</u>	<u>Contract Number</u>			
Safe Schools Act - State Department of Education	N/A	(4)	\$	88,893
Coordinated School Health - State Department of Education	N/A	(4)		115,000
Early Childhood Education - Pilot/State - State Department of Education	N/A	(4)		306,009
COVID-19 - PPE - State Department of Military (Noncash Assistance)	N/A	(4)		16,817
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(4)		9,000
Rural Health Services - State Department of Health	N/A	(4)		173,838
Litter Program - State Department of Transportation	N/A	(4)		<u>42,686</u>
 Total State Grants			<u>\$</u>	<u>752,243</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) Macon County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) No amounts (\$0) were passed-through to subrecipients.

(4) Information not available.

(5) Child Nutrition Cluster total \$2,039,304; Special Education Cluster total \$979,170; CCDF Cluster total \$29,346.

(6) Total CFDA No. 10.555 is \$1,475,199; Total CFDA No. 10.553 is \$564,105..

(7) For the year ended June 30, 2020, Macon County received donated PPE valued at \$67,269 (\$50,452 federal and \$16,817 state) from the Tennessee Department of Military. These donations were unaudited.

Macon 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 Macon 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
<u>OFFICE OF COUNTY MAYOR</u>					
2019	181	2019-001	The office had deficiencies in computer system backup procedures	N/A	Corrected
2019	182	2019-002	The solid waste department did not issue consecutively numbered receipts for payments on customer accounts	N/A	Corrected

Prior-year Federal Awards Findings

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

MACON 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 Macon County is unmodified. | |
| 2. Internal Control Over Financial Reporting: | |
| * Material weakness identified? | YES |
| * Significant deficiency identified? | NONE REPORTED |
| 3. Noncompliance material to the financial statements noted? | NO |

Federal Awards:

- | | |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 4. Internal Control Over Major Federal Programs: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NONE REPORTED |
| 5. Type of report auditor issued on compliance for major programs. | UNMODIFIED |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | NO |
| 7. Identification of Major Federal Programs: | |
| * CFDA Numbers: 10.553 and 10.555 | Nutrition Cluster: School Breakfast Program and National School Lunch Program |
| 8. Dollar threshold used to distinguish between Type A and Type B Programs. | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | 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 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED 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 \$301,843 were required for the financial statements to be materially correct at year-end. These misstatements involved unrecorded ambulance service receivables. Generally accepted accounting principles require Macon 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 an 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. We presented audit adjustments to management, which they approved and recorded on their accounting records to properly present the financial statements in this report.

RECOMMENDATION

Macon County should design and implement a system of internal control to ensure that its general ledgers are materially correct in accordance with generally accepted accounting principles.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding.

OFFICE OF SHERIFF

FINDING 2020-002

**DEFICIENCIES WERE NOTED IN THE ACCRUAL OF
AND PAYMENT FOR COMPENSATORY LEAVE**
(Noncompliance Under *Government Auditing Standards*)

The sheriff's department allowed employees to be paid after their compensatory time had been exhausted by as much as 55 hours. The personnel policies state employees "shall be given compensatory time for all hours worked over 40 during the workweek." Paying compensatory leave in advance violated the personnel policy and resulted in unauthorized compensation. This deficiency existed due to a lack of management oversight and the failure to comply with the department's personnel policy.

RECOMMENDATION

Management should monitor employees' compensatory time balances to ensure compliance with the department's personnel policies.

MANAGEMENT'S RESPONSE – SHERIFF

We concur with this finding. See corrective action plan.

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.

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

We reviewed the financial statement and federal award finding and recommendation 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 plan for all financial statement finding and federal award finding is presented in this section and has been indexed below. The corrective action plan was prepared by management and has been presented as it was submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2020-001	Material audit adjustments were required for proper financial statement presentation	192
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OFFICE OF SHERIFF

2020-002	Deficiencies were noted in the accrual of and payment for compensatory leave	193
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Steve Jones

Macon County Mayor

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Lafayette, Tennessee 37083
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Fax (615) 666-5323
maconcountyttn.gov

Corrective Action Plan for Finding #1

FINDING: MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

Response and Corrective Action Plan Prepared by:

Steve Jones, County Mayor

Person Responsible for Implementing the Corrective Action:

Steve Jones, County Mayor

Anticipated Completion Date of Corrective Action:

January 1st, 2021

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Finding #1 in the Mayor's Office is apparently the result of personnel not having a complete list of receivables for the end of the year closing. The Mayor's office will develop an end of the year check list to help follow receivables. Macon County will request assistance from the appropriate CTAS Representatives to assist in the training of Macon County Personnel on procedures for end of the year closing. Macon County personnel will begin preparing for the end of the year closing in sufficient time to allow personnel to review the receivables check list. This will allow personnel to have adequate time to review all budget figures and create less opportunity for error.

Signature:

MACON COUNTY SHERIFF'S DEPT.

Mark Gammons, Sheriff

Phone (615)-666-3325
666-4046

902 Hwy. 52 East By-Pass
Lafayette, TN 37083

Corrective Action Plan

FINDING: DEFICIENCIES WERE NOTED IN THE ACCRUAL OF AND
PAYMENT FOR COMPENSATORY LEAVE

Response and Corrective Action Plan Prepared by:
Sheriff Mark Gammons

Person Responsible for Implementing the Corrective Action:
Sheriff Mark Gammons

Anticipated Completion Date of Corrective Action:
Date 12-15-20

Repeat Finding:
NA

Reason Corrective Action was Not Taken in the Prior Year:
NA

Planned Corrective Action:
See attached page.

MACON COUNTY SHERIFF'S DEPT.

Mark Gammons, Sheriff

Phone (615)-666-3325
666-4046

902 Hwy. 52 East By-Pass
Lafayette, TN 37083

During this audit I Sheriff Mark Gammons received a finding reading as follows,
Deficiencies were noted in the accrual of and payment for compensatory leave.

After I was notified that these persons did not have the time, they were instructed to make up the time, there has never been an employee to receive money that they have not earned or made their time up for.

Corrections

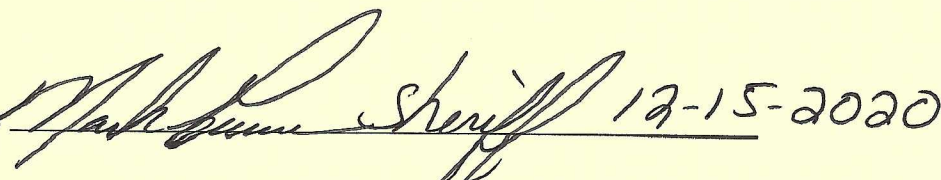
I have removed the Major of his duties of payroll due to mistakes that was made. I therefore put the Captain back in charge of payroll to make sure this oversight will not be made anymore.

I would like to address another problem with our Counties Payroll, we have always been instructed by the Macon County Government that keeps the accurate count of time earned to have payroll turned in 2 to 3 days before the actual time has been earned by the employees of the Macon County Sheriff Office. This has always been a request from the Macon County Mayors office.

I am going to meet with the County Mayor to see if employees time can be held back a week for accurate time keeping to insure they are not over paid and have the proper time to make up hours if needed.

I will also be addressing the Macon County Legislative Body in January, 2021 to discuss this issue as well, letting them know that payroll has to be signed and sent up before the actual pay-period is ended, this is something that has been done for years and this could have an impact on the time not being accurate for the pay-period.

Signature

 12-15-2020

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 Macon County.

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

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