Annual Financial Report

Grainger County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury

Division of Local Government Audit

ANNUAL FINANCIAL REPORT

GRAINGER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2021

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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

GRAINGER COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Grainger County, Tennessee
For the Year Ended June 30, 2021

Scope

We have audited the basic financial statements of Grainger County as of and for the year ended June 30, 2021.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- The Sports and Recreation Fund had a fund deficit on June 30, 2021.
- Payroll taxes were overpaid to the Internal Revenue Service.

OFFICE OF DIRECTOR OF SCHOOLS

- Termination benefits and compensated absences records for the year ended June 30, 2021, were not closed and available for audit by August 31, 2021.

Tennessee Comptroller of the Treasury

OFFICE OF SHERIFF

- The sheriff's office did not file state prisoner board bills for reimbursement timely.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- The office had deficiencies in filing its annual financial report.

Tennessee Comptroller of the Treasury

Introductory Section

Grainger County Officials
June 30, 2021

Officials

David M. Byrd, County Mayor
Charlie McAnally, Road Superintendent
Dr. James Atkins, Director of Schools
Rena Greer, Trustee
Donna Shelton, Assessor of Property
Angie Lamb, County Clerk
Sherry Clifton, Circuit and General Sessions Courts Clerk
Vickie Greenlee, Clerk and Master
Rick Diamond, Register of Deeds
James Harville, Sheriff

Board of County Commissioners

Johnny Baker, Chairman
James Acuff
Andy Cameron
Gary Wayne Dalton
Justin Epperson
Mike Holt
Larry Johnson
Rebecca Johnson
Wendy Noe
Rodney Overbay
Leon Spoone
Darell Stratton
Luke Stratton
Darrell Williams
Scott Wynn

Board of Education

Harold Frazier, Chairman
Johnny Brooks
Donnie Kitts
Marcus Long
Steve Hodge
Karen McNish
Gary Staley
Norma Tate
Larry Turley
Derek Williams

Audit Committee

Scott Wynn, Chairman
James Acuff
Justin Epperson
Luke Stratton

FINANCIAL SECTION

Jason E. Mumpower
Comptroller

Independent Auditor's Report

Grainger County Mayor and
Board of County Commissioners
Grainger 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 Grainger County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Internal School Fund of the Grainger County School Department (a discretely presented component unit), which represent 2.35 percent, 3.06 percent, and 3.45 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those amounts were audited by other auditors whose report has been furnished to us. Our opinion, insofar as it relates to amounts attributable to the Grainger County School Department's Internal School Fund, is based solely on the report of the other auditors. 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.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grainger County, Tennessee, as of June 30, 2021, and the respective changes in financial position thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Grainger County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB 84 defines what is meant by fiduciary activities. It establishes the four types of fiduciary funds for reporting purposes. In addition, GASB 84 changes the title of “Agency” Funds to “Custodial” Funds and requires that Custodial Funds, unlike Agency Funds, should present fund net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.9., to the financial statements, which describes a restatement to the beginning Custodial Funds’ net position totaling $668,130 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Grainger County School Department’s beginning net position totaling $1,188,703 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedule of school changes in the total 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 Grainger 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 Grainger 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 Grainger 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 by us and by other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 Grainger County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2022, on our consideration of Grainger 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 Grainger 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 Grainger County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 16, 2022

JEM/tg

Basic Financial Statements

Grainger County, Tennessee
Statement of Net Position
June 30, 2021

	Primary Government Governmental Activities	Component Unit Grainger County School Department
ASSETS		
Cash and Cash Equivalents	$ 41,871	$ 1,353,495
Equity in Pooled Cash and Investments	9,146,100	13,443,524
Accounts Receivable	583,505	62,742
Allowance for Uncollectible Accounts Receivable	(403,589)	0
Due from Other Governments	938,485	1,280,461
Property Taxes Receivable	8,692,523	2,791,671
Allowance for Uncollectible Property Taxes	(215,781)	(69,258)
Net Pension Asset - Agent Plan	1,770,006	1,381,714
Net Pension Asset - Teacher Retirement Plan	0	91,741
Net Pension Asset - Teacher Legacy Pension Plan	0	2,659,568
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	141,946
Capital Assets:		
Assets Not Depreciated:		
Land	1,766,946	1,442,547
Construction in Progress	957,328	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	7,093,437	31,459,980
Infrastructure	2,181,870	0
Other Capital Assets	1,614,189	1,691,507
Total Assets	$ 34,166,890	$ 57,731,638
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	$ 222,028	$ 0
Pension Changes in Experience	233,630	286,890
Pension Changes in Assumptions	100,670	323,071
Pension Changes in Investment Earnings	131,581	704,176
Pension Changes in Proportion	0	36,417
Pension Contributions After Measurement Date	530,077	1,741,479
OPEB Changes in Experience	0	5,354
OPEB Changes in Assumptions	0	720,250
OPEB Changes in Proportion	0	95,366
OPEB Contributions After Measurement Date	0	253,082
Total Deferred Outflows of Resources	$ 1,217,986	$ 4,166,085
LIABILITIES		
Accounts Payable	$ 272,279	$ 707,729
Accrued Payroll	142,002	567,591
Payroll Deductions Payable	67,912	1,500,653
Contracts Payable	140,856	73,240
Due to State of Tennessee	1,432	0
Due to Other Governments	2,264,819	0
Accrued Interest Payable	82,925	0
Other Current Liabilities	317	283
Noncurrent Liabilities:		
Due Within One Year - Debt	1,726,679	0
Due Within One Year - Other	149,394	31,900
Due in More Than One Year - Debt	16,477,829	0
Due in More Than One Year - Other	906,840	8,696,786
Total Liabilities	$ 22,233,284	$ 11,578,182

(Continued)

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

	Primary Government Governmental Activities	Component Unit Grainger County School Department
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 8,210,793	$ 2,637,108
Pension Changes in Experience	462,925	1,663,034
Pension Changes in Proportion	0	19,934
OPEB Changes in Experience	0	1,017,785
OPEB Changes in Assumptions	0	532,371
OPEB Changes in Proportion	0	163,753
Total Deferred Inflows of Resources	$ 8,673,718	$ 6,033,985
NET POSITION		
Net Investment in Capital Assets	$ 10,089,710	$ 34,594,034
Restricted for:		
General Government	53,331	0
Finance	104,156	0
Administration of Justice	59,319	0
Public Safety	304,382	0
Public Health and Welfare	37,844	0
Social, Cultural, and Recreational Services	80,296	0
Highways/Public Works	2,026,574	0
Debt Service	23,378	0
Education	0	2,448,911
Pensions	1,770,006	4,274,969
Capital Projects	0	18,966
Unrestricted	(10,071,122)	2,948,676
Total Net Position	$ 4,477,874	$ 44,285,556

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

Exhibit B

Grainger County, Tennessee
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Grainger County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 1,767,463	$ 260,785	$ 9,196	$ 29,080	$ (1,468,402)	$ 0
Finance	789,210	647,788	0	0	(141,422)	0
Administration of Justice	804,083	274,205	62,156	0	(467,722)	0
Public Safety	3,943,605	369,526	338,862	1,020	(3,234,197)	0
Public Health and Welfare	2,772,441	831,611	272,796	0	(1,668,034)	0
Social, Cultural, and Recreational Services	453,253	7,488	6,937	36,171	(402,657)	0
Agriculture and Natural Resources	179,939	0	0	17,569	(162,370)	0
Highways	2,576,840	10,379	2,140,508	721,530	295,577	0
Debt Service:						
Interest	666,523	0	0	0	(666,523)	0
Total Primary Government	$ 13,953,357	$ 2,401,782	$ 2,830,455	$ 805,370	$ (7,915,750)	$ 0
Component Unit:						
Grainger County School Department	$ 34,938,843	$ 68,442	$ 9,216,413	$ 0	$ 0	$ (25,653,988)
Total Component Unit	$ 34,938,843	$ 68,442	$ 9,216,413	$ 0	$ 0	$ (25,653,988)

(Continued)

Exhibit B

Grainger County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit Grainger County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 5,518,841	$ 2,740,772
Property Taxes Levied for Solid Waste/Sanitation					748,614	0
Property Taxes Levied for Sports and Recreation					112,616	0
Property Taxes Levied for Highway					600,632	0
Property Taxes Levied for Debt Service					977,337	0
Local Option Sales Taxes					783,789	2,028,764
Litigation Tax					53,370	0
Litigation Tax Courtroom Security					3,024	0
Business Tax					110,888	36,483
Wholesale Beer Tax					15,731	0
Grants and Contributions Not Restricted to Specific Programs					3,349,310	23,219,774
Unrestricted Investment Income					82,903	671
Gain on Investments					0	23,069
Miscellaneous					162,585	96,317
Total General Revenues					$ 12,519,640	$ 28,145,850
Change in Net Position					$ 4,603,890	$ 2,491,862
Restatement - See Note I.D.9.					0	1,188,703
Net Position, July 1, 2020					(126,016)	40,604,991
Net Position, June 30, 2021					$ 4,477,874	$ 44,285,556

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

Grainger County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 400	$ 0	$ 312	$ 0	$ 41,159	$ 41,871
Equity in Pooled Cash and Investments	2,158,907	2,264,949	2,469,916	2,006,041	246,287	9,146,100
Accounts Receivable	551,749	0	0	0	31,756	583,505
Allowance for Uncollectibles	(403,589)	0	0	0	0	(403,589)
Due from Other Governments	292,916	0	389,135	162,305	94,129	938,485
Due from Other Funds	22,310	0	0	0	0	22,310
Property Taxes Receivable	6,028,650	0	656,076	1,066,123	941,674	8,692,523
Allowance for Uncollectible Property Taxes	(149,639)	0	(16,285)	(26,465)	(23,392)	(215,781)
Total Assets	$ 8,501,704	$ 2,264,949	$ 3,499,154	$ 3,208,004	$ 1,331,613	$ 18,805,424
LIABILITIES						
Accounts Payable	$ 205,602	$ 0	$ 13,807	$ 0	$ 52,870	$ 272,279
Accrued Payroll	113,173	0	20,216	0	8,613	142,002
Payroll Deductions Payable	55,728	0	10,299	0	1,885	67,912
Contracts Payable	0	0	0	0	140,856	140,856
Due to Other Funds	0	0	0	0	22,310	22,310
Due to State of Tennessee	1,092	0	0	0	340	1,432
Due to Other Governments	0	2,264,819	0	0	0	2,264,819
Other Current Liabilities	5	0	312	0	0	317
Total Liabilities	$ 375,600	$ 2,264,819	$ 44,634	$ 0	$ 226,874	$ 2,911,927
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 5,694,604	$ 0	$ 619,719	$ 1,007,042	$ 889,428	$ 8,210,793

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES (Cont.)						
Deferred Delinquent Property Taxes	$ 156,990	$ 0	$ 17,088	$ 27,767	$ 24,564	$ 226,409
Other Deferred/Unavailable Revenue	123,992	0	196,971	78,536	75,520	475,019
Total Deferred Inflows of Resources	$ 5,975,586	$ 0	$ 833,778	$ 1,113,345	$ 989,512	$ 8,912,221
FUND BALANCES						
Restricted:						
Restricted for General Government	$ 53,331	$ 0	$ 0	$ 0	$ 0	$ 53,331
Restricted for Finance	71,570	0	0	0	32,586	104,156
Restricted for Administration of Justice	36,574	0	0	0	22,745	59,319
Restricted for Public Safety	267,389	0	0	0	36,993	304,382
Restricted for Public Health and Welfare	37,844	0	0	0	0	37,844
Restricted for Social, Cultural, and Recreational Services	1,572	0	0	0	0	1,572
Restricted for Highways/Public Works	0	0	1,812,516	0	0	1,812,516
Committed:						
Committed for Public Health and Welfare	0	0	0	0	92,520	92,520
Committed for Highways/Public Works	0	0	808,226	0	0	808,226
Committed for Debt Service	0	0	0	2,094,659	0	2,094,659
Committed for Other Purposes	0	130	0	0	0	130
Assigned:						
Assigned for General Government	825,508	0	0	0	0	825,508
Assigned for Public Safety	81,434	0	0	0	0	81,434
Unassigned	775,296	0	0	0	(69,617)	705,679
Total Fund Balances	$ 2,150,518	$ 130	$ 2,620,742	$ 2,094,659	$ 115,227	$ 6,981,276
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,501,704	$ 2,264,949	$ 3,499,154	$ 3,208,004	$ 1,331,613	$ 18,805,424

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

Exhibit C-2

Grainger County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2021

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)		$ 6,981,276
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,766,946	
Add: construction in progress	957,328	
Add: buildings and improvements net of accumulated depreciation	7,093,437	
Add: infrastructure net of accumulated depreciation	2,181,870	
Add: other capital assets net of accumulated depreciation	1,614,189	13,613,770
(2) Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (289,393)	
Less: bonds payable	(14,770,000)	
Less: other loans payable	(1,168,844)	
Add: deferred amount on refunding	222,028	
Less: compensated absences payable	(437,707)	
Less: landfill closure/postclosure care costs	(618,527)	
Less: accrued interest on bonds and notes	(82,925)	
Less: unamortized premium on debt	(1,976,271)	(19,121,639)
(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	$ 995,958	
Less: deferred inflows of resources related to pensions	(462,925)	533,033
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,770,006
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		701,428
Net position of governmental activities (Exhibit A)		$ 4,477,874

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

Exhibit C-3

Grainger County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 6,116,540	$ 0	$ 636,527	$ 1,815,173	$ 930,289	$ 9,498,529
Licenses and Permits	90,546	0	0	0	0	90,546
Fines, Forfeitures, and Penalties	89,704	0	1,823	2,980	11,422	105,929
Charges for Current Services	916,518	0	4,343	0	181,222	1,102,083
Other Local Revenues	218,358	130	1,648	82,773	56,882	359,791
Fees Received From County Officials	739,278	0	0	0	0	739,278
State of Tennessee	1,939,691	0	2,695,061	92,954	118,528	4,846,234
Federal Government	523,314	0	180,791	0	58,586	762,691
Other Governments and Citizens Groups	103,645	0	0	823,072	0	926,717
Total Revenues	$ 10,737,594	$ 130	$ 3,520,193	$ 2,816,952	$ 1,356,929	$ 18,431,798
Expenditures						
Current:						
General Government	$ 1,195,135	$ 0	$ 0	$ 0	$ 5,811	$ 1,200,946
Finance	649,713	0	0	0	191,085	840,798
Administration of Justice	784,691	0	0	0	4,029	788,720
Public Safety	3,738,010	0	0	0	71	3,738,081
Public Health and Welfare	1,706,377	0	0	0	956,413	2,662,790
Social, Cultural, and Recreational Services	238,846	0	0	0	341,913	580,759
Agriculture and Natural Resources	180,782	0	0	0	0	180,782
Other Operations	724,406	0	0	0	0	724,406
Highways	33,300	0	3,036,005	0	0	3,069,305
Debt Service:						
Principal on Debt	0	0	0	1,862,793	0	1,862,793
Interest on Debt	0	0	0	429,851	0	429,851
Other Debt Service	0	0	0	340,239	0	340,239
Total Expenditures	$ 9,251,260	$ 0	$ 3,036,005	$ 2,632,883	$ 1,499,322	$ 16,419,470

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ 1,486,334	$ 130	$ 484,188	$ 184,069	$ (142,393)	$ 2,012,328
Other Financing Sources (Uses)						
Refunding Debt Issued	$ 0	$ 0	$ 0	$ 16,285,000	$ 0	$ 16,285,000
Premiums on Debt Sold	0	0	0	2,291,176	0	2,291,176
Insurance Recovery	20,865	0	1,245	0	30,500	52,610
Transfers In	0	0	0	0	36,615	36,615
Transfers Out	(33,801)	0	0	0	(2,814)	(36,615)
Payments to Refunded Debt Escrow Agent	0	0	0	(18,266,762)	0	(18,266,762)
Total Other Financing Sources (Uses)	$ (12,936)	$ 0	$ 1,245	$ 309,414	$ 64,301	$ 362,024
Net Change in Fund Balances	$ 1,473,398	$ 130	$ 485,433	$ 493,483	$ (78,092)	$ 2,374,352
Fund Balance, July 1, 2020	677,120	0	2,135,309	1,601,176	193,319	4,606,924
Fund Balance, June 30, 2021	$ 2,150,518	$ 130	$ 2,620,742	$ 2,094,659	$ 115,227	$ 6,981,276

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

Grainger 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, 2021

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

Net change in fund balances - total governmental funds (Exhibit C-3)		$ 2,374,352
(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	$ 1,090,528	
Less: current-year depreciation expense	(726,384)	364,144
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	$ 701,428	
Less: deferred delinquent property taxes and other deferred June 30, 2020	(575,979)	125,449
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: bond proceeds	$ (16,285,000)	
Less: change in unamortized premium on debt	(1,780,737)	
Add: principal payments on bonds	1,515,000	
Add: principal payments on notes	243,237	
Add: principal payments on other loans	104,556	
Add: principal amounts of bonds refunded	17,460,000	
Add: principal amounts of notes refunded	663,128	
Less: change in deferred amount on refunding debt	(242,367)	1,677,817
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ (20,871)	
Change in compensated absences payable	(280,024)	
Change in landfill closure/postclosure care costs	53,453	
Change in net pension asset - agent plan	338,477	
Change in deferred outflows related to pensions	8,269	
Change in deferred inflows related to pensions	(37,176)	62,128
Change in net position of governmental activities (Exhibit B)		$ 4,603,890

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

Grainger County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 6,116,540	$ 0	$ 6,116,540	$ 6,011,436	$ 6,011,436	$ 105,104
Licenses and Permits	90,546	0	90,546	86,987	86,987	3,559
Fines, Forfeitures, and Penalties	89,704	0	89,704	96,068	96,068	(6,364)
Charges for Current Services	916,518	0	916,518	857,379	857,743	58,775
Other Local Revenues	218,358	0	218,358	75,551	115,531	102,827
Fees Received From County Officials	739,278	0	739,278	663,559	679,559	59,719
State of Tennessee	1,939,691	0	1,939,691	1,214,168	1,611,744	327,947
Federal Government	523,314	0	523,314	95,740	324,046	199,268
Other Governments and Citizens Groups	103,645	0	103,645	0	99,676	3,969
Total Revenues	$ 10,737,594	$ 0	$ 10,737,594	$ 9,100,888	$ 9,882,790	$ 854,804
Expenditures						
General Government						
County Commission	$ 53,114	$ 0	$ 53,114	$ 54,550	$ 54,550	$ 1,436
Board of Equalization	1,575	0	1,575	3,500	3,500	1,925
Beer Board	500	0	500	1,000	1,000	500
Budget and Finance Committee	3,208	0	3,208	3,500	3,500	292
County Mayor/Executive	209,265	0	209,265	209,002	216,190	6,925
Election Commission	230,982	0	230,982	286,535	295,487	64,505
Register of Deeds	194,160	0	194,160	194,699	201,044	6,884
Planning	18,300	0	18,300	20,675	20,675	2,375
County Buildings	132,001	0	132,001	119,550	240,795	108,794
Other Facilities	333,384	0	333,384	353,905	365,521	32,137
Preservation of Records	18,646	0	18,646	20,440	20,709	2,063
Finance						
Property Assessor's Office	204,387	0	204,387	200,512	212,588	8,201

(Continued)

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Finance (Cont.)						
County Trustee's Office	$ 88,114	$ 0	$ 88,114	$ 100,890	$ 100,671	$ 12,557
County Clerk's Office	357,212	0	357,212	336,139	371,617	14,405
Administration of Justice						
Circuit Court	226,145	0	226,145	228,904	249,887	23,742
General Sessions Court	236,162	0	236,162	238,336	240,423	4,261
Chancery Court	153,944	0	153,944	151,017	156,554	2,610
Juvenile Court	116,759	0	116,759	110,794	123,653	6,894
District Attorney General	51,681	0	51,681	51,646	52,233	552
Public Safety						
Sheriff's Department	1,995,945	81,434	2,077,379	1,850,131	2,217,380	140,001
Jail	1,459,831	0	1,459,831	1,533,620	1,563,877	104,046
Fire Prevention and Control	1,500	0	1,500	1,500	1,500	0
Civil Defense	51,683	0	51,683	68,408	68,677	16,994
Other Emergency Management	225,548	0	225,548	225,000	225,548	0
Inspection and Regulation	3,503	0	3,503	3,550	3,550	47
Public Health and Welfare						
Local Health Center	107,274	0	107,274	176,740	177,189	69,915
Ambulance/Emergency Medical Services	1,570,619	0	1,570,619	1,662,201	1,678,053	107,434
Appropriation to State	21,484	0	21,484	20,759	21,484	0
General Welfare Assistance	7,000	0	7,000	7,000	7,000	0
Social, Cultural, and Recreational Services						
Senior Citizens Assistance	68,648	0	68,648	59,400	77,425	8,777
Libraries	170,198	0	170,198	173,450	180,250	10,052
Agriculture and Natural Resources						
Agricultural Extension Service	65,999	0	65,999	67,715	67,715	1,716

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Agriculture and Natural Resources (Cont.)						
Soil Conservation	$ 114,783	$ 0	$ 114,783	$ 114,458	$ 116,709	$ 1,926
Other Operations						
Tourism	15,507	0	15,507	19,637	19,637	4,130
Industrial Development	69,594	0	69,594	70,835	71,373	1,779
Veterans' Services	12,631	0	12,631	13,630	13,899	1,268
Other Charges	441,734	0	441,734	398,863	444,681	2,947
Contributions to Other Agencies	3,551	0	3,551	3,553	3,553	2
COVID-19 Grant #1	75,583	0	75,583	0	75,583	0
Miscellaneous	105,806	0	105,806	105,610	121,173	15,367
Highways						
Litter and Trash Collection	33,300	0	33,300	58,500	58,769	25,469
Total Expenditures	$ 9,251,260	$ 81,434	$ 9,332,694	$ 9,320,154	$ 10,145,622	$ 812,928
Excess (Deficiency) of Revenues Over Expenditures	$ 1,486,334	$ (81,434)	$ 1,404,900	$ (219,266)	$ (262,832)	$ 1,667,732
Other Financing Sources (Uses)						
Insurance Recovery	$ 20,865	$ 0	$ 20,865	$ 0	$ 7,662	$ 13,203
Transfers Out	(33,801)	0	(33,801)	0	(33,801)	0
Total Other Financing Sources	$ (12,936)	$ 0	$ (12,936)	$ 0	$ (26,139)	$ 13,203

(Continued)

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ 1,473,398	$ (81,434)	$ 1,391,964	$ (219,266)	$ (288,971)	$ 1,680,935
Fund Balance, July 1, 2020	677,120	0	677,120	345,745	345,745	331,375
Fund Balance, June 30, 2021	$ 2,150,518	$ (81,434)	$ 2,069,084	$ 126,479	$ 56,774	$ 2,012,310

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

Grainger County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 636,527	$ 0	$ 636,527	$ 669,860	$ 674,860	$ (38,333)
Fines, Forfeitures, and Penalties	1,823	0	1,823	2,120	2,120	(297)
Charges for Current Services	4,343	0	4,343	0	0	4,343
Other Local Revenues	1,648	0	1,648	1,500	2,538	(890)
State of Tennessee	2,695,061	0	2,695,061	2,113,840	2,113,840	581,221
Federal Government	180,791	0	180,791	0	70,491	110,300
Total Revenues	$ 3,520,193	$ 0	$ 3,520,193	$ 2,787,320	$ 2,863,849	$ 656,344
Expenditures						
Highways						
Administration	$ 203,699	$ 0	$ 203,699	$ 206,101	$ 219,170	$ 15,471
Highway and Bridge Maintenance	1,808,691	(299,489)	1,509,202	1,485,600	1,584,181	74,979
Operation and Maintenance of Equipment	285,058	0	285,058	377,060	352,745	67,687
Other Charges	297,274	0	297,274	289,204	303,457	6,183
Capital Outlay	441,283	0	441,283	609,400	606,500	165,217
Total Expenditures	$ 3,036,005	$ (299,489)	$ 2,736,516	$ 2,967,365	$ 3,066,053	$ 329,537
Excess (Deficiency) of Revenues Over Expenditures	$ 484,188	$ 299,489	$ 783,677	$ (180,045)	$ (202,204)	$ 985,881
Other Financing Sources (Uses)						
Insurance Recovery	$ 1,245	$ 0	$ 1,245	$ 0	$ 0	$ 1,245
Total Other Financing Sources	$ 1,245	$ 0	$ 1,245	$ 0	$ 0	$ 1,245

(Continued)

Grainger County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ 485,433	$ 299,489	$ 784,922	$ (180,045)	$ (202,204)	$ 987,126
Fund Balance, July 1, 2020	2,135,309	(299,489)	1,835,820	2,019,654	2,019,654	(183,834)
Fund Balance, June 30, 2021	$ 2,620,742	$ 0	$ 2,620,742	$ 1,839,609	$ 1,817,450	$ 803,292

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

Exhibit D-1

Grainger County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds
ASSETS	
Cash	$ 378,916
Accounts Receivable	25
Due from Other Governments	213,672
Total Assets	$ 592,613
LIABILITIES	
Due to Other Taxing Units	$ 213,672
Total Liabilities	$ 213,672
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	$ 378,941
Total Net Position	$ 378,941

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

Exhibit D-2

Grainger County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	$ 1,208,673
Fines/Fees and Other Collections	3,459,034
Total Additions	$ 4,667,707
DEDUCTIONS	
Payment of Sales Tax Collections for Other Governments	$ 1,208,673
Payments to State	3,003,058
Payments to Individuals and Others	745,165
Total Deductions	$ 4,956,896
Net Increase (Decrease) in Fiduciary Net Position	$ (289,189)
Net Position, July 1, 2020	0
Restatement - See Note I.D.9.	668,130
Net Position, June 30, 2021	$ 378,941

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

GRAINGER COUNTY, TENNESSEE
Index of Notes to the Financial Statements

(Continued)

GRAINGER COUNTY, TENNESSEE
Index of Notes to the Financial Statements (Cont.)

GRAINGER COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grainger 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 Grainger County:

A. Reporting Entity

Grainger County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Grainger County (the primary government) and its component units. The financial statements of the Grainger 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 Grainger County School Department operates the public school system in the county, and the voters of Grainger 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 Grainger County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Grainger County, and the Grainger 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 Grainger County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Grainger County Emergency
Communications District
P.O. Box 560
Rutledge, TN 37861

Related Organization – The Grainger County Industrial Development Board is a related organization of Grainger County. The Grainger County Commission elects the board members, but the county's accountability does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all 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 Grainger 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 Grainger 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.

Grainger County issues all debt for the discretely presented Grainger County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2021.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. 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 Grainger County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Grainger County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Grainger County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

Grainger 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.
>
> **Other General Government Fund –** This fund is used to account for financial resources and expenditures relating to the American Rescue Plan Act.
>
> **Highway/Public Works Fund** – This special revenue fund accounts for transactions of the county's highway department. Local taxes and state gasoline 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, Grainger County reports the following fund type:

> **Custodial Funds** – These funds account for amounts collected in a custodial capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Grainger County.

The discretely presented Grainger County School Department reports the following major governmental funds:

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 21) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 20) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html.

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 loans 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 Grainger County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Grainger 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 polices 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 polices 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 polices 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 polices 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. Grainger County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. <u>Receivables and Payables</u>

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible ambulance receivables is management's estimate based on prior collections and aging reports. The allowance for uncollectible property taxes is equal to 1.3 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Due to Other Governments on the Statement of Net Position for the primary government represents grant amounts received in advance under the American Rescue Plan Act.

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 Grainger 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 Grainger County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Grainger County School Department has not withdrawn any funds from the trust to pay pension costs. 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 $5,000 or more and an estimated useful life of five or more years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	50
Other Capital Assets	5 - 25
Infrastructure:	
Roads	20
Bridges	40

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. They are pension changes in experience, assumptions, investment earnings, and proportion; employer contributions made to the pension and other postemployment benefit plans after the measurement date; other postemployment benefit changes in experience, assumptions, and proportion; and the deferred charge on refunding, which are reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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/or the governmental funds balance sheet. These items are from the following sources: pension changes in experience and proportion; other postemployment benefit changes in experience, assumptions, and proportion; current and delinquent property taxes, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. **Compensated Absences**

Primary Government

It is the primary government's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. All vacation and compensatory pay is accrued when incurred in the government-wide financial statements for the primary government. A liability for vacation pay and compensatory pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave for the primary government since there is no policy to pay any amounts when employees separate from service with the government.

Discretely Presented School Department

The discretely presented school department's policy allows employees to accumulate sick pay benefits but not vacation benefits nor compensatory time. The Grainger County Board of Education has adopted policies allowing certified and noncertified employees to receive payment for unused sick leave at retirement. Certified employees who meet all service guidelines will receive $90 per unused sick day accumulated at the time of retirement. Noncertified employees who meet all guidelines received $45 per unused sick day accumulated at the time of retirement. Thirteen retirees qualified to receive this benefit in 2020-2021 and were paid a total of $61,740. The estimated cost of these future cash payments reported in the government-wide Statement of Net Position is $1,641,105.

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 are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, landfill closure/postclosure care costs, retirement incentives and honorariums, 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 their 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, 2021, Grainger County had $13,074,944 in outstanding debt for capital purposes for the discretely presented school department. This debt is a liability of Grainger County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Grainger County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Director of Schools, by resolution, was authorized to make assignments for the school department for the 2020-2021 year. Assigned fund balance in the General Fund consists of amounts appropriated for use in the 2021-2022 budget ($825,508) and encumbrances ($81,434). Assigned fund balance in the school department's General Purpose School Fund consists of amounts appropriated for use in the 2021-2022 budget ($613,944) and for future capital outlays ($3,291,693).

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

9. Restatements

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Grainger County School Department. A restatement of $1,188,703 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, the beginning balance of these funds has been restated by $668,130 using the economic resources measurement focus and the accrual basis of accounting.

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 Grainger County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Grainger County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Pension 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 Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Grainger County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Grainger 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 Grainger 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 Grainger 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 Grainger 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

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, Election Commission, 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. Any difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2021, Grainger County reported the following encumbrances:

Fund	Amount
Primary Government:	
Major Fund:	
General	$ 81,434

B. Fund Deficit

The Sports and Recreation Fund had a deficit in unassigned fund balance of $69,617 at June 30, 2021. This unassigned fund balance deficit resulted from expenditures exceeding restricted, committed, and assigned balances. The deficit unassigned fund balance is expected to be liquidated with the recognition of revenues subsequent to June 30, 2021.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Grainger County and the Grainger 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 three 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

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.

Other than the school department's investment in the TCRS Stabilization Trust as discussed below, the county had no pooled or nonpooled investments as of June 30, 2021.

TCRS Stabilization Trust

Legal Provisions. The Grainger 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 Grainger County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2021, the Grainger County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$ 44,003
Developed Market International Equity	N/A	N/A	19,872
Emerging Market International Equity	N/A	N/A	5,678
U.S. Fixed Income	N/A	N/A	28,389
Real Estate	N/A	N/A	14,195
Short-term Securities	N/A	N/A	1,420
NAV - Private Equity and Strategic Lending	N/A	N/A	28,389
Total			$ 141,946

For further information concerning the legal provisions, investment policies, investment types, and credit risks of 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/ag20045.pdf.

B. Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	$ 1,766,946	$ 0	$ 0	$ 1,766,946
Construction in Progress	807,972	149,356	0	957,328
Total Capital Assets Not Depreciated	$ 2,574,918	$ 149,356	$ 0	$ 2,724,274
Capital Assets Depreciated:				
Buildings and Improvements	$ 11,666,068	$ 48,765	$ 0	$ 11,714,833
Infrastructure	12,683,896	358,535	0	13,042,431
Other Capital Assets	5,648,524	533,872	(17,400)	6,164,996
Total Capital Assets Depreciated	$ 29,998,488	$ 941,172	$ (17,400)	$ 30,922,260
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 4,366,556	$ 254,840	$ 0	$ 4,621,396
Infrastructure	10,783,378	77,183	0	10,860,561
Other Capital Assets	4,173,846	394,361	(17,400)	4,550,807
Total Accumulated Depreciation	$ 19,323,780	$ 726,384	$ (17,400)	$ 20,032,764
Total Capital Assets Depreciated, Net	$ 10,674,708	$ 214,788	$ 0	$ 10,889,496
Governmental Activities Capital Assets, Net	$ 13,249,626	$ 364,144	$ 0	$ 13,613,770

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

Governmental Activities:

General Government	$ 46,879
Administration of Justice	77,638
Public Safety	263,655
Public Health and Welfare	181,766
Social, Cultural, and Recreational Services	25,238
Highway/Public Works	131,208
Total Depreciation Expense - Governmental Activities	$ 726,384

Discretely Presented Grainger County School Department

Governmental Activities:

	Balance 7-1-20	Increases	Balance 6-30-21
Capital Assets Not Depreciated:			
Land	$ 1,117,547	$ 325,000	$ 1,442,547
Total Capital Assets Not Depreciated	$ 1,117,547	$ 325,000	$ 1,442,547
Capital Assets Depreciated:			
Buildings and Improvements	$ 49,415,063	$ 12,546	$ 49,427,609
Other Capital Assets	4,976,018	223,687	5,199,705
Total Capital Assets Depreciated	$ 54,391,081	$ 236,233	$ 54,627,314
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 16,912,131	$ 1,055,498	$ 17,967,629
Other Capital Assets	3,236,264	271,934	3,508,198
Total Accumulated Depreciation	$ 20,148,395	$ 1,327,432	$ 21,475,827
Total Capital Assets Depreciated, Net	$ 34,242,686	$ (1,091,199)	$ 33,151,487
Governmental Activities Capital Assets, Net	$ 35,360,233	$ (766,199)	$ 34,594,034

There were no decreases in capital assets to report during the year ended June 30, 2021.

Depreciation expense was charged to functions of the school department as follows:

Governmental Activities:

Instruction	$ 1,056,262
Support Services	246,830
Operation of Non-instructional Services	24,340
Total Depreciation Expense - Governmental Activities	$ 1,327,432

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 22,310

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2021, consisted of the following amounts:

Primary Government

	Transfers In	
Transfers Out	Nonmajor Govermental Funds	Purpose
General Fund	$ 33,801	Operations
Nonmajor governmental funds	2,814	Operations
Total	$ 36,615	

D. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Grainger County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Grainger County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes, and other loans outstanding were issued for original terms of up to five years for notes and 12 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes, and other loans included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund. The notes of Grainger County include a payable on demand clause, which states the payment is due upon the earlier to occur of (a) lender's demand or (b) the maturity date.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2021, for governmental activities were as follows:

Type	Interest Rate		Final Maturity		Original Amount of Issue		Balance 6-30-21
General Obligation Bonds -							
Refunding:	1 to 5	%	4-1-32	$	16,285,000	$	14,770,000
Direct Borrowing and Direct Placement:							
Capital Outlay Notes	2.79 to 3.11		6-25-24		983,000		289,393
Other Loans- Energy Efficient							
Schools Initiative	1.5		10-1-31		1,350,845		1,168,844

The annual requirements to amortize all general obligation bonds, notes and other loans outstanding as of June 30, 2021, including interest payments, are presented in the following tables.

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2022	$ 1,370,000	$ 537,400	$ 1,907,400
2023	1,505,000	476,900	1,981,900
2024	1,445,000	409,950	1,854,950
2025	1,525,000	342,200	1,867,200
2026	1,555,000	270,450	1,825,450
2027-2031	6,935,000	539,950	7,474,950
2032	435,000	8,700	443,700
Total	$ 14,770,000	$ 2,585,550	$ 17,355,550

Year Ending June 30	Notes - Direct Placement Principal	Interest	Total
2022	$ 250,539	$ 8,653	$ 259,192
2023	19,142	1,162	20,304
2024	19,712	591	20,303
Total	$ 289,393	$ 10,406	$ 299,799

Year Ending June 30	Other Loans - Direct Placement Principal	Interest	Total
2022	$ 106,140	$ 16,932	$ 123,072
2023	107,736	15,336	123,072
2024	109,368	13,704	123,072
2025	111,024	12,048	123,072
2026	112,692	10,380	123,072
2027-2031	589,524	25,836	615,360
2032	32,360	103	32,463
Total	$ 1,168,844	$ 94,339	$ 1,263,183

There is $2,094,659 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $628, based on the 2020 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled $774 based on the 2020 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government. During the year, the discretely presented school department contributed $823,072 to the primary government to apply toward the retirement of school-related debt.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2020	$ 17,460,000	$ 1,195,758	$ 1,273,400
Additions	16,285,000	0	0
Reductions	(18,975,000)	(906,365)	(104,556)
Balance, June 30, 2021	$ 14,770,000	$ 289,393	$ 1,168,844
Balance Due Within One Year	$ 1,370,000	$ 250,539	$ 106,140

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities- Debt, June 30, 2021	$ 16,228,237
Less: Balance Due Within One Year - Debt	(1,726,679)
Add: Unamortized Premium on Debt	1,976,271
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	$ 16,477,829

Current Refunding

On August 21, 2020, Grainger County refunded two refunding bonds and a general obligation bond issues with a separate general obligation bond issue. The county issued $8,375,000 of general obligation refunding bonds and received a premium of $1,192,814 from the issuance. The bond proceeds and premium were used to provide resources to call and redeem the refunded debt. Because of the current refunding, total debt service payments over the next 14 years will be reduced by $934,639, and an economic gain (difference between the present value of debt service payments of the refunded and refunding bonds) of $877,732 was obtained.

On September 25, 2020, Grainger County refunded a refunding bond issue and a capital outlay note with a separate general obligation bond issue. The county issued $7,910,000 of general obligation refunding bonds and received a premium of $1,098,362 from the issuance. The bond proceeds and premium were used to provide resources to call and redeem the refunded debt. Because of the current refunding, total debt service payments over the next ten years will be reduced by $366,245, and an economic gain (difference between the present value of debt service payments of the refunded debt and refunding bonds) of $372,044 was obtained.

E. **Long-term Obligations**

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2021, was as follows:

Governmental Activities:	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2020	$ 157,683	$ 671,980
Additions	437,707	0
Reductions	(157,683)	(53,453)
Balance, June 30, 2021	$ 437,707	$ 618,527
Balance Due Within One Year	$ 87,541	$ 61,853

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	$ 1,056,234
Less: Balance Due Within One Year - Other	(149,394)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$ 906,840

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

Discretely Presented Grainger County School Department

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2021, was as follows:

Governmnetal Activities:	Retirement Honorarium	Retirement Incentive
Balance, July 1, 2020	$ 370,000	$ 35,000
Additions	15,500	0
Reductions	(22,100)	(15,000)
Balance, June 30, 2021	$ 363,400	$ 20,000
Balance Due Within One Year	$ 11,900	$ 20,000

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2020	$ 1,744,245	$ 5,749,917
Additions	111,960	1,163,029
Reductions	(215,100)	(208,765)
Balance, June 30, 2021	$ 1,641,105	$ 6,704,181
Balance Due Within One Year	$ 0	$ 0

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2021	$ 8,728,686
Less: Balance Due Within One Year - Other	(31,900)
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	$ 8,696,786

Retirement incentives and honorariums will be paid from the General Purpose School Fund. Compensated absences and other postemployment benefits will be paid from the employing funds (General Purpose School, School Federal Projects, and Central Cafeteria funds).

F. **On-Behalf Payments – Discretely Presented Grainger County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Grainger 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 Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan ended June 30, 2021, were $120,380. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

Grainger County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the following funds. These notes were necessary because funds were not available to meet obligations coming due before revenues were available. Short-term debt activity for the year ended June 30, 2021, was as follows:

Fund	Balance 7-1-20	Issued	Paid	Balance 6-30-21
General	$ 0	$ 1,000,000	$ 1,000,000	$ 0
Solid Waste / Sanitation	0	250,000	250,000	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding $250,000 for property and $450,000 for liability for each insured event.

Grainger County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, *Tennessee Code Annotated*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding $500,000.

The county provides commercial health insurance coverage for its active employees. Retirees are not eligible to participate in the county's health plan. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Discretely Presented Grainger County School Department

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

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

B. Accounting Changes

GASB Statement No. 84, *Fiduciary Activities* establishes additional guidance for the identification, accounting, and reporting of fiduciary activities. The statement clarifies the four types of fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 90, *Majority Equity Interest* modifies previous guidance and provides guidance for the measurement and reporting of majority equity interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit.

Paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* became effective during the year. Paragraph 4 establishes certain component unit criteria for a legally separate entity by the primary government in the absence of a governing board. Paragraph 5 clarifies that the financial benefit burden in paragraph 7 of GASB Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through certain trusts.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

Grainger County is involved in a lawsuit regarding construction of baseball fields. The county terminated the contractor over claims of faulty construction, delays, and breach of contract. The contractor filed suit against the county and the project architect for damages related to construction services performed. Damages claimed against the county amount to $384,537 plus attorney fees. The county has filed a counter-suit against the contractor for damages as a result of the breach of contract. The county's claims for damages are for amounts not to exceed $500,000 plus attorney fees. The county insurance carrier has denied coverage regarding these claims.

The county is involved in several other pending lawsuits. Based on information from attorneys, management estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statement.

D. Change in Administration

On August 31, 2020, Johnny Morgan left the Office of Property Assessor and was succeeded by Donna Shelton.

E. Landfill Postclosure Care Costs

Grainger 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. Grainger County closed its sanitary landfill in 2002. The $618,527 reported as postclosure care liability at June 30, 2021, represents amounts based on what it would cost to perform all postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District; Cocke, Grainger, Jefferson, and Sevier counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Grainger County made no contributions to the DTF for the year ended June 30, 2021, and does not have any equity interest in this joint venture.

Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

District Attorney General
Fourth Judicial District
125 Court Avenue, Suite 301
Sevierville, TN 37862

G. Jointly Governed Organization

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center and to further the economy and growth of the region served by developing, marketing, and promoting facilities for warehousing, distribution, light manufacturing, and agribusiness purposes. The authority is governed by a board of directors consisting of the county mayors/executives of each county or the county mayor's/executive's designee and one nonvoting member representing the Tennessee Department of Agriculture and the University of Tennessee's Agricultural Extension Service. An executive committee, consisting of the chairman, vice chairman, secretary, and treasurer of the board of directors, along with the center manager as an ex-officio member, is in charge of daily operations of the center.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Grainger County and non-certified employees of the discretely presented Grainger County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 56.16 percent, the non-certified employees of the discretely presented school department comprise 43.84 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	159
Inactive Employees Entitled to But Not Yet Receiving Benefits	368
Active Employees	313
Total	840

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. Grainger County elected to make employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contribution for Grainger County was $953,798 based on a rate of 9.76 percent of covered payroll. The minimum rate established by the Board of Trustees was 4.52 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Grainger 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)

Grainger County's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability 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, 2020, 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, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2019	$ 27,067,925	$ 29,607,448	$ (2,539,523)
Changes for the Year:			
Service Cost	$ 826,826	$ 0	$ 826,826
Interest	1,980,373	0	1,980,373
Differences Between Expected and Actual Experience	(586,284)	0	(586,284)
Contributions-Employer	0	916,961	(916,961)
Contributions-Employees	0	470,356	(470,356)
Net Investment Income	0	1,473,542	(1,473,542)
Benefit Payments, Including Refunds of Employee Contributions	(1,158,530)	(1,158,530)	0
Administrative Expense	0	(27,747)	27,747
Net Changes	$ 1,062,385	$ 1,674,582	$ (612,197)
Balance, June 30, 2020	$ 28,130,310	$ 31,282,030	$ (3,151,720)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.16%	$ 15,797,982	$ 17,567,988	$ (1,770,006)
School Department	43.84%	12,332,328	13,714,042	(1,381,714)
Total		$ 28,130,310	$ 31,282,030	$ (3,151,720)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Grainger 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:

Grainger County	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	$ 534,603	$ (3,151,720)	$ (6,204,617)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2021, Grainger County recognized pension expense of $414,703.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, Grainger 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	$ 416,007	$ 824,296
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	234,296	0
Changes in Assumptions	179,255	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	953,798	N/A
Total	$ 1,783,356	$ 824,296

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2020," 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	$ 995,958	$ 462,925
School Department	787,398	361,371
Total	$ 1,783,356	$ 824,296

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
2022	$ (33,416)
2023	133,422
2024	48,560
2025	(45,589)
2026	(97,714)
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2021, Grainger County reported a payable of $199,350 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2021.

Discretely Presented Grainger County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Grainger County and non-certified employees of the discretely presented Grainger County School Department are provided a defined benefit pension plan through the Public Employee Pension

Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 56.16 percent and the non-certified employees of the discretely presented school department comprise 43.84 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-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, 2021, to the Teacher Retirement Plan were $45,594 which is 2.02 percent of covered payroll. In addition, employer contributions of $43,554 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2021, the school department reported a liability (asset) of ($91,741) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, 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 share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .161334 percent. The measured proportion as of June 30, 2019, was .162280 percent.

Pension Expense. For the year ended June 30, 2021, the school department recognized pension expense of $36,747.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 3,408	$ 22,990
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,474	0
Changes in Assumptions	2,877	0
Changes in Proportion of Net Pension Liability (Asset)	1,850	5,274
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	45,594	N/A
Total	$ 61,203	$ 28,264

The school department's employer contributions of $45,594, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2022. 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
2022	$ (1,099)
2023	(19)
2024	531
2025	688
2026	(1,843)
Thereafter	(10,913)

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, 2020, 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, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	$ 71,360	$ (91,741)	$ (211,967)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2021, Grainger County reported a payable of $47,088 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2021.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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 Grainger County School Department for the year ended June 30, 2021, to the Teacher Legacy Pension Plan were $1,272,164, which is 10.27 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2021, the school department reported a liability (asset) of ($2,659,568) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, 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, 2020, the school department's proportion was .348762 percent. The proportion measured at June 30, 2019, was .347497 percent.

Pension Expense. For the year ended June 30, 2021, the school department recognized pension expense of $12,744.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	$ 101,105	$ 1,278,673
Changes in Assumptions	241,609	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	593,987	0
Changes in Proportion of Net Pension Liability (Asset)	34,567	14,660
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	1,272,164	N/A
Total	$ 2,243,432	$ 1,293,333

The school department's employer contributions of $1,272,164 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease (increase) in net pension liability (asset) in the year ending June 30, 2022. 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
2022	$ (635,444)
2023	(98,657)
2024	18,562
2025	393,474
2026	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, 2020, 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, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	$ 8,271,198	$ (2,659,568)	$ (11,723,741)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2021, Grainger County reported a payable of $460,133 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2021.

2. Deferred Compensation

Primary Government

Grainger 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 Section 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

Discretely Presented Grainger County School Department

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. Some employees have elected to contribute amounts in addition to the two percent minimum requirement. During the year, the school department contributed $112,854 and teachers contributed $45,593 to this deferred compensation pension plan.

I. <u>Other Postemployment Benefits (OPEB)</u>

Grainger County primary government does not offer postemployment benefits to its retirees. The discretely presented Grainger County School Department provides OPEB benefits to its 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 meets the criteria of paragraph 4 of GASB Statement No. 75.

The school department provides healthcare benefits to its employees under the closed Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Grainger 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 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Plan Description. Employees of the Grainger 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.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020, actuarial valuation 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	2.1%
Salary Increases	Salary increases used in the July 1, 2020 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 9.02% for pre-65 retirees in the 2021 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5 percent.
Retirees Share of Benefit Related Cost	Discussed under Benefits Provided

The discount rate was 2.21 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2019, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, 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 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the measurement date of June 30, 2020. 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 2021 plan year was revised from 6.03 percent to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 percent.

Benefits Provided. The Grainger 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. Grainger County School Department provides a direct subsidy of $345 per month toward pre-65 retirees insurance premiums. Retirees must be age 60 or older or have 30 years of service to qualify. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	28
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	328
Total	356

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 $253,082 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

		Share of Collective Liability				
		Grainger County School Department 72.1136%		State of TN 27.8864%		Total OPEB Liability
Balance July 1, 2019	$	5,730,225	$	2,371,479	$	8,101,704
Changes for the Year:						
Service Cost	$	225,040	$	87,023	$	312,063
Interest		207,726		80,328		288,054
Changes of Benefit Terms		44,587		17,242		61,829
Difference between Expected and Actuarial Experience		6,063		2,344		8,407
Changes in Proportion		112,205		(112,205)		0
Changes in Assumption and Other Inputs		679,613		262,807		942,420
Benefit Payments		(301,278)		(116,504)		(417,782)
Net Changes	$	973,956	$	221,035	$	1,194,991
Balance June 30, 2020	$	6,704,181	$	2,592,514	$	9,296,695

The Grainger 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 Grainger 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 $144,695 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Grainger County School Department’s proportionate share of the collective OPEB liability was 72.1136% and the State of Tennessee’s share was 27.8864%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of $479,114, which includes expenses funded by subsidies provided by the state. At June 30, 2021, 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	$ 5,354	$ 1,017,785
Changes of Assumptions/Inputs	720,250	532,371
Changes in Proportion	95,366	163,753
Benefits Paid After the Measurement Date of June 30, 2020	253,082	0
Total	$ 1,074,052	$ 1,713,909

The amount shown above for "Benefits Paid After the Measurement Date" will be recognized as a reduction to OPEB liability in the following measurement period.

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
2022	$ (142,936)
2023	(142,936)
2024	(142,936)
2025	(142,936)
2026	(142,936)
Thereafter	(178,258)

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.

Discount Rate	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Proportionate Share of the Collective Total OPEB Liability	$ 7,204,819	$ 6,704,181	$ 6,222,070

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

Healthcare Cost Trend Rate	1% Decrease 8.02 to 3.5%	Curent Rate 9.02 to 4.5%	1% Increase 10.02 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	$ 5,949,368	$ 6,704,181	$ 7,590,090

J. **Termination Benefits**

The discretely presented school department has entered into a retirement incentive bonus payment plan in accordance with contract provisions. This plan is available to all certified teachers who retire from the school department with at least ten years of service in Grainger County and are between the ages of 55 and 60 or have a minimum of 30 years of credited service in the Tennessee Consolidated Retirement System. The plan provides teachers who have met the noted requirements, a bonus of $5,000 paid in one lump sum. During the year, expenditures of $15,000 were recognized for retirement incentive bonus payments. At June 30, 2021, there were four individuals participating in the program. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is $20,000. The entire amount is due within one year.

In addition to the previously mentioned retirement incentive, the discretely presented school department offers an additional retirement honorarium payment. To be eligible, certified employees must retire with at least ten years of service with the school department. Under the terms of the plan, employees with 30 or more years of experience at the end of the 2005-06 school year shall receive $100 for each school year of service with the school department up to a maximum of $4,000. Employees with less than 30 years of experience at the end of the 2005-06 school year shall receive $100 for each school year of service in the school department up to a maximum of $3,000. As of June 30, 2021, 195 employees met the requirements of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is $363,400. Of that amount, $11,900 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of $22,100 in the General Purpose School Fund.

K. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated* (*TCA*). This act provides for purchases exceeding $10,000 (excluding emergency purchases) to be made after public advertisement and solicitation of competitive bids.

Office of Road Superintendent

Chapter 232, Private Acts of 1980, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, govern purchasing procedures for this office. These statutes provide for purchases exceeding $10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented school department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding $10,000.

L. Subsequent Events

On July 31, 2021, Grainger County issued a $250,000 interfund loan in the form of tax anticipation notes for the Solid Waste/Sanitation Fund.

On October 31, 2021, Grainger County issued an $80,000 interfund loan in the form of a tax anticipation note for the Solid Waste/Sanitation Fund.

On November 11 ,2021, county commission authorized to issue an interfund loan (capital outlay note) not to exceed $244,344, from the General Debt Service Fund to the General Fund. The interfund loan has not been issued as of the date of this report.

Required Supplementary Information

Exhibit E-1

Grainger 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	2020
Total Pension Liability							
Service Cost	$ 627,456	$ 598,290	$ 652,242	$ 709,108	$ 734,296	$ 796,334	$ 826,826
Interest	1,398,557	1,441,288	1,543,903	1,642,729	1,747,044	1,901,258	1,980,373
Differences Between Actual and Expected Experience	(582,968)	165,117	30,282	288,643	629,493	(503,590)	(586,284)
Changes in Assumptions	0	0	0	537,767	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(803,478)	(884,769)	(896,132)	(1,035,094)	(983,569)	(1,107,989)	(1,158,530)
Net Change in Total Pension Liability	$ 639,567	$ 1,319,926	$ 1,330,295	$ 2,143,153	$ 2,127,264	$ 1,086,013	$ 1,062,385
Total Pension Liability, Beginning	18,421,707	19,061,274	20,381,200	21,711,495	23,854,648	25,981,912	27,067,925
Total Pension Liability, Ending (a)	$ 19,061,274	$ 20,381,200	$ 21,711,495	$ 23,854,648	$ 25,981,912	$ 27,067,925	$ 28,130,310
Plan Fiduciary Net Position							
Contributions - Employer	$ 741,468	$ 720,013	$ 777,617	$ 787,980	$ 837,405	$ 869,040	$ 916,961
Contributions - Employee	371,474	364,428	391,895	403,681	430,319	447,538	470,356
Net Investment Income	2,921,738	640,417	574,352	2,541,156	2,088,734	2,045,490	1,473,542
Benefit Payments, Including Refunds of Employee Contributions	(803,478)	(884,769)	(896,132)	(1,035,094)	(983,569)	(1,107,989)	(1,158,530)
Administrative Expense	(11,205)	(14,819)	(22,488)	(25,138)	(28,469)	(26,889)	(27,747)
Other	0	0	8,584	11,749	0	0	0
Net Change in Plan Fiduciary Net Position	$ 3,219,997	$ 825,270	$ 833,828	$ 2,684,334	$ 2,344,420	$ 2,227,190	$ 1,674,582
Plan Fiduciary Net Position, Beginning	17,472,409	20,692,406	21,517,676	22,351,504	25,035,838	27,380,258	29,607,448
Plan Fiduciary Net Position, Ending (b)	$ 20,692,406	$ 21,517,676	$ 22,351,504	$ 25,035,838	$ 27,380,258	$ 29,607,448	$ 31,282,030
Net Pension Liability (Asset), Ending (a - b)	$ (1,631,132)	$ (1,136,476)	$ (640,009)	$ (1,181,190)	$ (1,398,346)	$ (2,539,523)	$ (3,151,720)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.56%	105.58%	102.95%	104.95%	105.38%	109.38%	111.20%
Covered Payroll	$ 7,422,102	$ 7,377,182	$ 8,005,131	$ 8,073,545	$ 8,579,973	$ 8,904,102	$ 9,395,090
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(21.98%)	(15.41%)	(7.99%)	(14.63%)	(16.30%)	(28.52%)	(33.55%)

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

Note 2: 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.

Grainger 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	2021
Actuarially Determined Contribution	$ 741,468	$ 720,013	$ 777,617	$ 338,282	$ 374,945	$ 389,109	$ 424,658	$ 441,718
Less Contributions in Relation to the Actuarially Determined Contribution	(741,468)	(720,013)	(777,617)	(787,980)	(837,405)	(869,040)	(916,961)	(953,798)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ (449,698)	$ (462,460)	$ (479,931)	$ (492,303)	$ (512,080)
Covered Payroll	$ 7,422,102	$ 7,377,182	$ 8,005,131	$ 8,073,545	$ 8,579,973	$ 8,904,102	$ 9,395,090	$ 9,772,520
Contributions as a Percentage of Covered Payroll	9.99%	9.76%	9.71%	9.76%	9.76%	9.76%	9.76%	9.76%

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

Note 2: 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.

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

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	$ 9,858	$ 22,060	$ 43,287	$ 55,157	$ 33,315	$ 41,329	$ 45,594
Less Contributions in Relation to the Contractually Required Contribution	(9,858)	(22,060)	(43,287)	(55,157)	(33,315)	(41,329)	(45,594)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 246,445	$ 551,494	$ 1,086,370	$ 1,378,913	$ 1,717,231	$ 2,035,915	$ 2,257,083
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.98%	4.00%	1.94%	2.03%	2.02%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.
2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	$ 1,057,354	$ 1,078,825	$ 1,065,451	$ 1,098,942	$ 1,075,901	$ 1,218,806	$ 1,233,899	$ 1,272,164
Less Contributions in Relation to the Contractually Required Contribution	(1,057,354)	(1,078,825)	(1,065,451)	(1,098,942)	(1,075,901)	(1,218,806)	(1,233,899)	(1,272,164)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 11,907,142	$ 11,933,926	$ 11,785,973	$ 12,152,255	$ 11,849,126	$ 11,652,060	$ 11,607,716	$ 12,467,212
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.118612%	0.125338%	0.164882%	0.157793%	0.162280%	0.161334%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (4,772)	$ (13,048)	$ (43,501)	$ (71,563)	$ (91,605)	$ (91,741)
Covered Payroll	$ 246,445	$ 551,494	$ 1,086,370	$ 1,378,913	$ 1,717,231	$ 2,035,915
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.00)%	(5.19)%	(5.33)%	(4.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.303367%	0.318790%	0.326499%	0.343893%	0.338385%	0.347497%	0.348762%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (49,296)	$ 130,587	$ 2,040,438	$ (112,515)	$ (1,190,747)	$ (3,572,892)	$ (2,659,568)
Covered Payroll	$ 11,907,142	$ 11,933,926	$ 11,785,973	$ 12,152,255	$ 11,849,127	$ 11,652,060	$ 11,607,716
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41%)	1.09%	17.31%	(.93%)	(10.05%)	(30.66%)	(22.91%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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

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

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	$ 494,077	$ 454,344	$ 460,474	$ 312,063
Interest	288,399	348,900	364,296	288,054
Changes of Benefit Terms	0	0	0	61,829
Differences Between Actual and Expected Experience	0	(366,480)	(1,491,004)	8,407
Changes in Assumptions or Other Inputs	(450,554)	239,879	(607,686)	942,420
Benefit Payments	(343,401)	(393,213)	(450,625)	(417,782)
Net Change in Total OPEB Liability	$ (11,479)	$ 283,430	$ (1,724,545)	$ 1,194,991
Total OPEB Liability, Beginning	9,554,298	9,542,819	9,826,249	8,101,704
Total OPEB Liability, Ending	$ 9,542,819	$ 9,826,249	$ 8,101,704	$ 9,296,695
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 2,576,819	$ 2,683,558	$ 2,351,787	$ 2,592,514
Employer Proportionate Share of the Total OPEB Liability	6,966,000	7,142,691	5,749,917	6,704,181
Covered Employee Payroll	$ 15,936,207	$ 16,202,533	$ 16,412,779	$ 17,035,730
Net OPEB Liability as a Percentage of Covered Employee Payroll	43.71%	44.08%	35.03%	39.35%

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%
2020	2.21%

(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%
Plan year 2021 - from 6.03% to 9.02%

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

GRAINGER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019, 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	2.50%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

Combining and Individual Fund Financial Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county's law library.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions of the parks and recreation department.

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

Exhibit F-1

Grainger County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
ASSETS				
Cash	$ 0	$ 0	$ 0	$ 0
Equity in Pooled Cash and Investments	16,113	6,632	122,935	37,209
Accounts Receivable	0	0	0	0
Due from Other Governments	0	0	12,429	0
Property Taxes Receivable	0	0	819,138	0
Allowance for Uncollectible Property Taxes	0	0	(20,345)	0
Total Assets	$ 16,113	$ 6,632	$ 934,157	$ 37,209
LIABILITIES				
Accounts Payable	$ 0	$ 0	$ 43,274	$ 216
Accrued Payroll	0	0	2,042	0
Payroll Deductions Payable	0	0	942	0
Contracts Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Due to State of Tennessee	0	0	316	0
Total Liabilities	$ 0	$ 0	$ 46,574	$ 216
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 0	$ 0	$ 773,703	$ 0
Deferred Delinquent Property Taxes	0	0	21,360	0
Other Deferred/Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	$ 0	$ 0	$ 795,063	$ 0

(Continued)

Exhibit F-1

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

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
FUND BALANCES				
Restricted:				
Restricted for Finance	$ 0	$ 0	$ 0	$ 0
Restricted for Administration of Justice	16,113	6,632	0	0
Restricted for Public Safety	0	0	0	36,993
Committed:				
Committed for Public Health and Welfare	0	0	92,520	0
Unassigned	0	0	0	0
Total Fund Balances	$ 16,113	$ 6,632	$ 92,520	$ 36,993
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 16,113	$ 6,632	$ 934,157	$ 37,209

(Continued)

Exhibit F-1

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

	Special Revenue Funds (Cont.) Sports and Recreation	Special Revenue Funds (Cont.) Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 41,159	$ 41,159
Equity in Pooled Cash and Investments	63,398	0	246,287
Accounts Receivable	13,020	18,736	31,756
Due from Other Governments	81,700	0	94,129
Property Taxes Receivable	122,536	0	941,674
Allowance for Uncollectible Property Taxes	(3,047)	0	(23,392)
Total Assets	$ 277,607	$ 59,895	$ 1,331,613
LIABILITIES			
Accounts Payable	$ 9,380	$ 0	$ 52,870
Accrued Payroll	1,572	4,999	8,613
Payroll Deductions Payable	943	0	1,885
Contracts Payable	140,856	0	140,856
Due to Other Funds	0	22,310	22,310
Due to State of Tennessee	24	0	340
Total Liabilities	$ 152,775	$ 27,309	$ 226,874
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 115,725	$ 0	$ 889,428
Deferred Delinquent Property Taxes	3,204	0	24,564
Other Deferred/Unavailable Revenue	75,520	0	75,520
Total Deferred Inflows of Resources	$ 194,449	$ 0	$ 989,512

(Continued)

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

FUND BALANCES	Special Revenue Funds (Cont.) Sports and Recreation	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Restricted:			
Restricted for Finance	$ 0	$ 32,586	$ 32,586
Restricted for Administration of Justice	0	0	22,745
Restricted for Public Safety	0	0	36,993
Committed:			
Committed for Public Health and Welfare	0	0	92,520
Unassigned	(69,617)	0	(69,617)
Total Fund Balances	$ (69,617)	$ 32,586	$ 115,227
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 277,607	$ 59,895	$ 1,331,613

Exhibit F-2

Grainger County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Revenues				
Local Taxes	$ 1,133	$ 1,297	$ 806,185	$ 0
Fines, Forfeitures, and Penalties	0	0	2,149	8,938
Charges for Current Services	0	0	3,883	0
Other Local Revenues	0	0	40,137	0
State of Tennessee	0	0	79,003	0
Federal Government	0	0	58,465	0
Total Revenues	$ 1,133	$ 1,297	$ 989,822	$ 8,938
Expenditures				
Current:				
General Government	$ 5,811	$ 0	$ 0	$ 0
Finance	0	0	0	0
Administration of Justice	0	0	0	0
Public Safety	0	0	0	71
Public Health and Welfare	0	0	956,413	0
Social, Cultural, and Recreational Services	0	13	0	0
Total Expenditures	$ 5,811	$ 13	$ 956,413	$ 71
Excess (Deficiency) of Revenues Over Expenditures	$ (4,678)	$ 1,284	$ 33,409	$ 8,867
Other Financing Sources (Uses)				
Insurance Recovery	$ 0	$ 0	$ 30,500	$ 0
Transfers In	0	0	35,220	0

(Continued)

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

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Other Financing Sources (Uses) (Cont.)				
Transfers Out	$ 0	$ 0	$ 0	$ 0
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 65,720	$ 0
Net Change in Fund Balances	$ (4,678)	$ 1,284	$ 99,129	$ 8,867
Fund Balance, July 1, 2020	20,791	5,348	(6,609)	28,126
Fund Balance, June 30, 2021	$ 16,113	$ 6,632	$ 92,520	$ 36,993

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)		
	Sports and Recreation	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Revenues			
Local Taxes	$ 121,674	$ 0	$ 930,289
Fines, Forfeitures, and Penalties	335	0	11,422
Charges for Current Services	5,672	171,667	181,222
Other Local Revenues	16,745	0	56,882
State of Tennessee	39,525	0	118,528
Federal Government	121	0	58,586
Total Revenues	$ 184,072	$ 171,667	$ 1,356,929
Expenditures			
Current:			
General Government	$ 0	$ 0	$ 5,811
Finance	0	191,085	191,085
Administration of Justice	0	4,029	4,029
Public Safety	0	0	71
Public Health and Welfare	0	0	956,413
Social, Cultural, and Recreational Services	341,900	0	341,913
Total Expenditures	$ 341,900	$ 195,114	$ 1,499,322
Excess (Deficiency) of Revenues Over Expenditures	$ (157,828)	$ (23,447)	$ (142,393)
Other Financing Sources (Uses)			
Insurance Recovery	$ 0	$ 0	$ 30,500
Transfers In	1,395	0	36,615

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)		
	Sports and Recreation	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Other Financing Sources (Uses) (Cont.)			
Transfers Out	$ (2,814)	$ 0	$ (2,814)
Total Other Financing Sources (Uses)	$ (1,419)	$ 0	$ 64,301
Net Change in Fund Balances	$ (159,247)	$ (23,447)	$ (78,092)
Fund Balance, July 1, 2020	89,630	56,033	193,319
Fund Balance, June 30, 2021	$ (69,617)	$ 32,586	$ 115,227

Exhibit F-3

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,133	$ 1,285	$ 1,285	$ (152)
Total Revenues	$ 1,133	$ 1,285	$ 1,285	$ (152)
Expenditures				
General Government				
County Buildings	$ 5,811	$ 7,513	$ 7,513	$ 1,702
Total Expenditures	$ 5,811	$ 7,513	$ 7,513	$ 1,702
Excess (Deficiency) of Revenues Over Expenditures	$ (4,678)	$ (6,228)	$ (6,228)	$ 1,550
Net Change in Fund Balance	$ (4,678)	$ (6,228)	$ (6,228)	$ 1,550
Fund Balance, July 1, 2020	20,791	20,821	20,821	(30)
Fund Balance, June 30, 2021	$ 16,113	$ 14,593	$ 14,593	$ 1,520

Exhibit F-4

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,297	$ 1,545	$ 1,545	$ (248)
Total Revenues	$ 1,297	$ 1,545	$ 1,545	$ (248)
Expenditures				
Social, Cultural, and Recreational Services				
Libraries	$ 13	$ 434	$ 434	$ 421
Total Expenditures	$ 13	$ 434	$ 434	$ 421
Excess (Deficiency) of Revenues Over Expenditures	$ 1,284	$ 1,111	$ 1,111	$ 173
Net Change in Fund Balance	$ 1,284	$ 1,111	$ 1,111	$ 173
Fund Balance, July 1, 2020	5,348	5,454	5,454	(106)
Fund Balance, June 30, 2021	$ 6,632	$ 6,565	$ 6,565	$ 67

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 806,185	$ 800,475	$ 800,475	$ 5,710
Fines, Forfeitures, and Penalties	2,149	3,167	3,167	(1,018)
Charges for Current Services	3,883	2,300	2,300	1,583
Other Local Revenues	40,137	25,000	25,000	15,137
State of Tennessee	79,003	82,300	82,300	(3,297)
Federal Government	58,465	0	28,315	30,150
Total Revenues	$ 989,822	$ 913,242	$ 941,557	$ 48,265
Expenditures				
Public Health and Welfare				
Sanitation Management	$ 949,481	$ 851,990	$ 967,478	$ 17,997
Postclosure Care Costs	6,932	12,300	12,300	5,368
Total Expenditures	$ 956,413	$ 864,290	$ 979,778	$ 23,365
Excess (Deficiency) of Revenues Over Expenditures	$ 33,409	$ 48,952	$ (38,221)	$ 71,630
Other Financing Sources (Uses)				
Insurance Recovery	$ 30,500	$ 0	$ 30,500	$ 0
Transfers In	35,220	0	56,673	(21,453)
Total Other Financing Sources	$ 65,720	$ 0	$ 87,173	$ (21,453)
Net Change in Fund Balance	$ 99,129	$ 48,952	$ 48,952	$ 50,177
Fund Balance, July 1, 2020	(6,609)	(1,758)	(1,758)	(4,851)
Fund Balance, June 30, 2021	$ 92,520	$ 47,194	$ 47,194	$ 45,326

Exhibit F-6

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 8,938	$ 3,502	$ 3,502	$ 5,436
Total Revenues	$ 8,938	$ 3,502	$ 3,502	$ 5,436
Expenditures				
Public Safety				
Drug Enforcement	$ 71	$ 18,250	$ 18,250	$ 18,179
Total Expenditures	$ 71	$ 18,250	$ 18,250	$ 18,179
Excess (Deficiency) of Revenues Over Expenditures	$ 8,867	$ (14,748)	$ (14,748)	$ 23,615
Net Change in Fund Balance	$ 8,867	$ (14,748)	$ (14,748)	$ 23,615
Fund Balance, July 1, 2020	28,126	30,769	30,769	(2,643)
Fund Balance, June 30, 2021	$ 36,993	$ 16,021	$ 16,021	$ 20,972

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Sports and Recreation Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 121,674	$ 0	$ 121,674	$ 120,970	$ 120,970	$ 704
Fines, Forfeitures, and Penalties	335	0	335	540	540	(205)
Charges for Current Services	5,672	0	5,672	13,000	13,000	(7,328)
Other Local Revenues	16,745	0	16,745	13,020	25,020	(8,275)
State of Tennessee	39,525	0	39,525	74,500	122,500	(82,975)
Federal Government	121	0	121	0	0	121
Total Revenues	$ 184,072	$ 0	$ 184,072	$ 222,030	$ 282,030	$ (97,958)
Expenditures						
Social, Cultural, and Recreational Services						
Parks and Fair Boards	$ 341,900	$ (133,866)	$ 208,034	$ 250,421	$ 307,797	$ 99,763
Total Expenditures	$ 341,900	$ (133,866)	$ 208,034	$ 250,421	$ 307,797	$ 99,763
Excess (Deficiency) of Revenues Over Expenditures	$ (157,828)	$ 133,866	$ (23,962)	$ (28,391)	$ (25,767)	$ 1,805
Other Financing Sources (Uses)						
Transfers In	$ 1,395	$ 0	$ 1,395	$ 0	$ 0	$ 1,395
Transfers Out	(2,814)	0	(2,814)	0	(2,814)	0
Total Other Financing Sources	$ (1,419)	$ 0	$ (1,419)	$ 0	$ (2,814)	$ 1,395
Net Change in Fund Balance	$ (159,247)	$ 133,866	$ (25,381)	$ (28,391)	$ (28,581)	$ 3,200
Fund Balance, July 1, 2020	89,630	(133,866)	(44,236)	33,489	33,489	(77,725)
Fund Balance, June 30, 2021	$ (69,617)	$ 0	$ (69,617)	$ 5,098	$ 4,908	$ (74,525)

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

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,815,173	$ 1,538,566	$ 1,538,566	$ 276,607
Fines, Forfeitures, and Penalties	2,980	2,789	2,789	191
Other Local Revenues	82,773	100,000	100,000	(17,227)
Fees Received From County Officials	0	0	4,300	(4,300)
State of Tennessee	92,954	100,000	100,000	(7,046)
Other Governments and Citizens Groups	823,072	700,000	823,072	0
Total Revenues	$ 2,816,952	$ 2,441,355	$ 2,568,727	$ 248,225
Expenditures				
Principal on Debt				
General Government	$ 462,337	$ 1,969,983	$ 658,432	$ 196,095
Education	1,400,456	0	1,400,456	0
Interest on Debt				
General Government	80,209	408,437	92,255	12,046
Education	349,642	0	349,642	0
Other Debt Service				
General Government	93,265	27,000	94,447	1,182
Education	246,974	2,136	249,110	2,136
Total Expenditures	$ 2,632,883	$ 2,407,556	$ 2,844,342	$ 211,459
Excess (Deficiency) of Revenues Over Expenditures	$ 184,069	$ 33,799	$ (275,615)	$ 459,684
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 16,285,000	$ 0	$ 16,285,000	$ 0
Premiums on Debt Sold	2,291,176	0	2,291,176	0
Payments to Refunded Debt Escrow Agent	(18,266,762)	0	(18,266,762)	0
Total Other Financing Sources	$ 309,414	$ 0	$ 309,414	$ 0
Net Change in Fund Balance	$ 493,483	$ 33,799	$ 33,799	$ 459,684
Fund Balance, July 1, 2020	1,601,176	1,548,854	1,548,854	52,322
Fund Balance, June 30, 2021	$ 2,094,659	$ 1,582,653	$ 1,582,653	$ 512,006

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, and other governments. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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

Exhibit H-1

Grainger County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2021

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
ASSETS			
Cash	$ 0	$ 378,916	$ 378,916
Accounts Receivable	0	25	25
Due from Other Governments	213,672	0	213,672
Total Assets	$ 213,672	$ 378,941	$ 592,613
LIABILITIES			
Due to Other Taxing Units	$ 213,672	$ 0	$ 213,672
Total Liabilities	$ 213,672	$ 0	$ 213,672
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	$ 0	$ 378,941	$ 378,941
Total Net Position	$ 0	$ 378,941	$ 378,941

Exhibit H-2

Grainger County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
Additions			
Sales Tax Collections for Other Governments	$ 1,208,673	$ 0	$ 1,208,673
Fines/Fees and Other Collections	0	3,459,034	3,459,034
Total Additions	$ 1,208,673	$ 3,459,034	$ 4,667,707
Deductions			
Payment of Sales Tax Collections for Other Governments	$ 1,208,673	$ 0	$ 1,208,673
Payments to State	0	3,003,058	3,003,058
Payments to Individuals and Others	0	745,165	745,165
Total Deductions	$ 1,208,673	$ 3,748,223	$ 4,956,896
Change in Net Position	$ 0	$ (289,189)	$ (289,189)
Net Position July 1, 2020	0	0	0
Restatement - See Note I.D.9.	0	668,130	668,130
Net Position June 30, 2021	$ 0	$ 378,941	$ 378,941

Grainger County School Department

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

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

Exhibit I-1

Grainger County, Tennessee
Statement of Activities
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:				
Instruction	$ 22,178,007	$ 0	$ 4,125,111	$ (18,052,896)
Support Services	9,354,063	0	989,662	(8,364,401)
Operation of Non-instructional Services	3,406,773	68,442	4,101,640	763,309
Total Governmental Activities	$ 34,938,843	$ 68,442	$ 9,216,413	$ (25,653,988)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 2,740,772
Local Option Sales Taxes				2,028,764
Business Tax				36,483
Grants and Contributions Not Restricted for Specific Programs				23,219,774
Unrestricted Investment Earnings				671
Gain on Investments				23,069
Miscellaneous				96,317
Total General Revenues				$ 28,145,850
Change in Net Position				$ 2,491,862
Restatement - See Note I.D.9.				1,188,703
Net Position, July 1, 2020				40,604,991
Net Position, June 30, 2021				$ 44,285,556

Exhibit I-2

Grainger County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Grainger County School Department
June 30, 2021

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS				
Cash	$ 283	$ 0	$ 1,353,212	$ 1,353,495
Equity in Pooled Cash and Investments	12,179,130	371,209	893,185	13,443,524
Accounts Receivable	4,200	0	58,542	62,742
Due from Other Governments	924,275	312,680	43,506	1,280,461
Property Taxes Receivable	2,791,671	0	0	2,791,671
Allowance for Uncollectible Property Taxes	(69,258)	0	0	(69,258)
Restricted Assets	141,946	0	0	141,946
Total Assets	$ 15,972,247	$ 683,889	$ 2,348,445	$ 19,004,581
LIABILITIES				
Accounts Payable	$ 546,211	$ 131,792	$ 29,726	$ 707,729
Accrued Payroll	461,233	70,034	36,324	567,591
Payroll Deductions Payable	1,412,521	81,939	6,193	1,500,653
Contracts Payable	73,240	0	0	73,240
Other Current Liabilities	283	0	0	283
Total Liabilities	$ 2,493,488	$ 283,765	$ 72,243	$ 2,849,496
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 2,637,108	$ 0	$ 0	$ 2,637,108
Deferred Delinquent Property Taxes	72,622	0	0	72,622
Other Deferred/Unavailable Revenue	186,242	0	0	186,242
Total Deferred Inflows of Resources	$ 2,895,972	$ 0	$ 0	$ 2,895,972

(Continued)

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES				
Restricted:				
Restricted for Education	$ 172,585	$ 124	$ 2,276,202	$ 2,448,911
Restricted for Capital Projects	18,966	0	0	18,966
Restricted for Hybrid Retirement Stabilization Funds	141,946	0	0	141,946
Committed:				
Committed for Education	0	400,000	0	400,000
Assigned:				
Assigned for Education	613,944	0	0	613,944
Assigned for Capital Projects	3,291,693	0	0	3,291,693
Unassigned	6,343,653	0	0	6,343,653
Total Fund Balances	$ 10,582,787	$ 400,124	$ 2,276,202	$ 13,259,113
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 15,972,247	$ 683,889	$ 2,348,445	$ 19,004,581

Exhibit I-3

Grainger County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Grainger County School Department
June 30, 2021

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)		$ 13,259,113
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,442,547	
Add: buildings and improvements net of accumulated depreciation	31,459,980	
Add: other capital assets net of accumulated depreciation	1,691,507	34,594,034
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net OPEB liability	$ (6,704,181)	
Less: retirement honorarium payable	(363,400)	
Less: retirement incentive payable	(20,000)	
Less: compensated absences payable	(1,641,105)	(8,728,686)
(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	$ 3,092,033	
Less: deferred inflows of resources related to pensions	(1,682,968)	
Add: deferred outflows of resources related to OPEB	1,074,052	
Less: deferred inflows of resources related to OPEB	(1,713,909)	769,208
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	$ 1,381,714	
Add: net pension asset - teacher retirement plan	91,741	
Add: net pension asset - teacher legacy pension plan	2,659,568	4,133,023
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		258,864
Net position of governmental activities (Exhibit A)		$ 44,285,556

Exhibit I-4

Grainger County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2021

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 4,731,670	$ 0	$ 0	$ 4,731,670
Licenses and Permits	674	0	0	674
Fines, Forfeitures, and Penalties	7,687	0	0	7,687
Charges for Current Services	55	0	68,387	68,442
Other Local Revenues	80,654	0	1,337,749	1,418,403
State of Tennessee	23,701,780	0	16,353	23,718,133
Federal Government	365,748	4,680,047	2,341,237	7,387,032
Total Revenues	$ 28,888,268	$ 4,680,047	$ 3,763,726	$ 37,332,041
Expenditures				
Current:				
Instruction	$ 17,234,489	$ 4,009,764	$ 0	$ 21,244,253
Support Services	8,930,463	660,271	0	9,590,734
Operation of Non-Instructional Services	458,168	0	3,016,620	3,474,788
Capital Outlay	580,938	9,888	0	590,826
Debt Service:				
Other Debt Service	823,072	0	0	823,072
Total Expenditures	$ 28,027,130	$ 4,679,923	$ 3,016,620	$ 35,723,673
Excess (Deficiency) of Revenues Over Expenditures	$ 861,138	$ 124	$ 747,106	$ 1,608,368
Other Financing Sources (Uses)				
Insurance Recovery	$ 1,671	$ 0	$ 0	$ 1,671
Total Other Financing Sources (Uses)	$ 1,671	$ 0	$ 0	$ 1,671

(Continued)

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Governmental Funds	Total Governmental Funds
Net Change in Fund Balances	$ 862,809	$ 124	$ 747,106	$ 1,610,039
Restatement - See Note I.D.9.	0	0	1,188,703	1,188,703
Fund Balance, July 1, 2020	9,719,978	400,000	340,393	10,460,371
Fund Balance, June 30, 2021	$ 10,582,787	$ 400,124	$ 2,276,202	$ 13,259,113

Grainger County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2021

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

Net changes in fund balances - total governmental funds (Exhibit I-4)		$ 1,610,039
(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	$ 561,233	
Less: current-year depreciation expense	(1,327,432)	(766,199)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	$ 258,864	
Less: deferred delinquent property taxes and other deferred June 30, 2020	(184,515)	74,349
(3) 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 OPEB liability	$ (954,264)	
Change in retirement incentive payable	15,000	
Change in retirement honorarium	6,600	
Change in compensated absences payable	103,140	
Change in net pension asset/liability	(639,468)	
Change in deferred outflows related to pensions	277,221	
Change in deferred inflows related to pensions	1,892,517	
Change in deferred outflows related to OPEB	647,805	
Change in deferred inflows related to OPEB	225,122	1,573,673
Change in net position of governmental activities (Exhibit B)		$ 2,491,862

Exhibit I-6

Grainger County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Grainger County School Department
June 30, 2021

	Special Revenue Funds		
	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 35	$ 1,353,177	$ 1,353,212
Equity in Pooled Cash and Investments	893,185	0	893,185
Accounts Receivable	57,114	1,428	58,542
Due from Other Governments	43,506	0	43,506
Total Assets	$ 993,840	$ 1,354,605	$ 2,348,445
LIABILITIES			
Accounts Payable	$ 29,726	$ 0	$ 29,726
Accrued Payroll	36,324	0	36,324
Payroll Deductions Payable	6,193	0	6,193
Total Liabilities	$ 72,243	$ 0	$ 72,243
FUND BALANCES			
Restricted:			
Restricted for Education	$ 921,597	$ 1,354,605	$ 2,276,202
Total Fund Balances	$ 921,597	$ 1,354,605	$ 2,276,202
Total Liabilities and Fund Balances	$ 993,840	$ 1,354,605	$ 2,348,445

Exhibit I-7

Grainger County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2021

	Special Revenue Funds		
	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 68,387	$ 0	$ 68,387
Other Local Revenues	46,308	1,291,441	1,337,749
State of Tennessee	16,353	0	16,353
Federal Government	2,341,237	0	2,341,237
Total Revenues	$ 2,472,285	$ 1,291,441	$ 3,763,726
Expenditures			
Current:			
Operation of Non-Instructional Services	$ 1,891,081	$ 1,125,539	$ 3,016,620
Total Expenditures	$ 1,891,081	$ 1,125,539	$ 3,016,620
Excess (Deficiency) of Revenues Over Expenditures	$ 581,204	$ 165,902	$ 747,106
Net Change in Fund Balances	$ 581,204	$ 165,902	$ 747,106
Restatement - See Note I.D.9.	0	1,188,703	1,188,703
Fund Balance, July 1, 2020	340,393	0	340,393
Fund Balance, June 30, 2021	$ 921,597	$ 1,354,605	$ 2,276,202

Exhibit I-8

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Grainger County School Department
General Purpose School Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,731,670	$ 4,213,000	$ 4,213,000	$ 518,670
Licenses and Permits	674	0	0	674
Fines, Forfeitures, and Penalties	7,687	13,000	13,000	(5,313)
Charges for Current Services	55	0	0	55
Other Local Revenues	80,654	35,000	112,899	(32,245)
State of Tennessee	23,701,780	22,076,763	23,445,548	256,232
Federal Government	365,748	82,500	387,538	(21,790)
Total Revenues	$ 28,888,268	$ 26,420,263	$ 28,171,985	$ 716,283
Expenditures				
Instruction				
Regular Instruction Program	$ 13,562,235	$ 14,111,674	$ 15,397,551	$ 1,835,316
Alternative Instruction Program	59,455	61,125	61,125	1,670
Special Education Program	2,356,295	2,334,170	2,591,478	235,183
Career and Technical Education Program	1,106,675	1,175,449	1,186,801	80,126
Student Body Education Program	31,630	33,000	33,000	1,370
Adult Education Program	118,199	119,689	119,689	1,490
Support Services				
Attendance	8,019	8,055	8,055	36
Health Services	517,772	398,277	535,544	17,772
Other Student Support	559,102	499,057	668,528	109,426
Regular Instruction Program	676,580	794,806	897,106	220,526
Special Education Program	272,945	285,419	339,354	66,409
Career and Technical Education Program	58,710	35,835	64,355	5,645
Technology	266,501	274,304	400,410	133,909
Other Programs	120,380	0	120,380	0
Board of Education	446,252	528,905	528,905	82,653
Director of Schools	268,983	289,165	289,165	20,182
Office of the Principal	1,654,992	1,482,048	1,774,356	119,364
Operation of Plant	1,513,492	1,637,867	1,641,147	127,655
Maintenance of Plant	789,542	606,769	1,274,252	484,710
Transportation	1,587,470	1,506,557	1,733,649	146,179
COVID-19 Expenditures	189,723	0	189,723	0
Operation of Non-Instructional Services				
Food Service	5,666	0	5,666	0
Community Services	29,611	29,612	29,612	1
Early Childhood Education	422,891	0	422,892	1
Capital Outlay				
Regular Capital Outlay	580,938	97,500	1,127,500	546,562
Principal on Debt				
Education	0	700,000	0	0
Other Debt Service				
Education	823,072	0	823,072	0
Total Expenditures	$ 28,027,130	$ 27,009,283	$ 32,263,315	$ 4,236,185
Excess (Deficiency) of Revenues Over Expenditures	$ 861,138	$ (589,020)	$ (4,091,330)	$ 4,952,468

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)				
Insurance Recovery	$ 1,671	$ 0	$ 1,671	$ 0
Total Other Financing Sources	$ 1,671	$ 0	$ 1,671	$ 0
Net Change in Fund Balance	$ 862,809	$ (589,020)	$ (4,089,659)	$ 4,952,468
Fund Balance, July 1, 2020	9,719,978	9,050,769	9,050,769	669,209
Fund Balance, June 30, 2021	$ 10,582,787	$ 8,461,749	$ 4,961,110	$ 5,621,677

Exhibit I-9

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Grainger County School Department
School Federal Projects Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 4,680,047	$ 2,226,536	$ 6,868,975	$ (2,188,928)
Total Revenues	$ 4,680,047	$ 2,226,536	$ 6,868,975	$ (2,188,928)
Expenditures				
Instruction				
Regular Instruction Program	$ 3,419,617	$ 1,120,310	$ 4,819,222	$ 1,399,605
Special Education Program	485,706	580,077	660,241	174,535
Career and Technical Education Program	104,441	50,243	104,442	1
Support Services				
Health Services	3,692	0	48,000	44,308
Other Student Support	4,392	13,060	12,065	7,673
Regular Instruction Program	212,991	189,020	362,049	149,058
Special Education Program	272,754	158,259	376,070	103,316
Technology	10,449	0	16,329	5,880
Operation of Plant	67,836	0	204,990	137,154
Transportation	88,157	115,567	115,567	27,410
Capital Outlay				
Regular Capital Outlay	9,888	0	150,000	140,112
Total Expenditures	$ 4,679,923	$ 2,226,536	$ 6,868,975	$ 2,189,052
Excess (Deficiency) of Revenues Over Expenditures	$ 124	$ 0	$ 0	$ 124
Net Change in Fund Balance	$ 124	$ 0	$ 0	$ 124
Fund Balance, July 1, 2020	400,000	400,000	400,000	0
Fund Balance, June 30, 2021	$ 400,124	$ 400,000	$ 400,000	$ 124

Exhibit I-10

Grainger County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Grainger County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 68,387	$ 642,500	$ 642,500	$ (574,113)
Other Local Revenues	46,308	6,000	6,000	40,308
State of Tennessee	16,353	17,500	17,500	(1,147)
Federal Government	2,341,237	1,618,730	1,618,730	722,507
Total Revenues	$ 2,472,285	$ 2,284,730	$ 2,284,730	$ 187,555
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,891,081	$ 2,284,730	$ 2,284,730	$ 393,649
Total Expenditures	$ 1,891,081	$ 2,284,730	$ 2,284,730	$ 393,649
Excess (Deficiency) of Revenues Over Expenditures	$ 581,204	$ 0	$ 0	$ 581,204
Net Change in Fund Balance	$ 581,204	$ 0	$ 0	$ 581,204
Fund Balance, July 1, 2020	340,393	340,711	340,711	(318)
Fund Balance, June 30, 2021	$ 921,597	$ 340,711	$ 340,711	$ 580,886

Miscellaneous Schedules

Exhibit J-1

Grainger County, Tennessee
Schedule of Changes in Long-term Notes, Bonds, and Other Loans Payable
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-21
BONDS PAYABLE									
Payable through General Debt Service Fund									
General Obligation Refunding Bonds - Series 2012 - Justice Center	$ 3,995,000	1.92 %	12-12-12	5-1-30	$ 2,789,000	$ 0	$ 0	$ 2,789,000	$ 0
General Obligation Refunding Bonds - Series 2012 - Schools	5,980,000	1.92	12-12-12	5-1-30	4,171,000	0	0	4,171,000	0
General Obligation Refunding Bonds - Series 2013 - Schools	9,800,000	1.94	2-15-13	5-1-30	8,150,000	0	0	8,150,000	0
General Obligation School Bonds - Series 2014	2,500,000	2 to 3.5	3-27-14	5-1-34	2,350,000	0	0	2,350,000	0
General Obligation Refunding Bonds, Series 2020A	8,375,000	2 to 3	8-21-20	4-1-32	0	8,375,000	445,000	0	7,930,000
General Obligation Refunding Bonds, Series 2020B	7,910,000	1 to 5	9-25-20	6-1-30	0	7,910,000	1,070,000	0	6,840,000
Total Bonds Payable					$ 17,460,000	$ 16,285,000	$ 1,515,000	$ 17,460,000	$ 14,770,000
NOTES PAYABLE									
Payable through General Debt Service Fund									
Sheriff's Vehicles and Ambulance	300,000	3.11	5-26-17	11-14-21	$ 123,577	$ 0	$ 60,824	$ 0	$ 62,753
Parks and Recreation Ball Field Project	250,000	3.11	5-26-17	11-14-21	102,981	0	50,687	0	52,294
Sheriff's Vehicles and Ambulance	210,000	2.79	11-5-18	1-16-22	142,710	0	70,354	0	72,356
Justice Center Paving	130,000	2.79	3-5-19	3-15-22	87,876	0	43,326	0	44,550
Parks and Recreation Ball Field Project	93,000	2.95	6-25-19	6-25-24	75,486	0	18,046	0	57,440
Sheriff's Vehicles and Ambulance	663,128	2.99	12-27-19	12-27-27	663,128	0	0	663,128	0
Total Notes Payable					$ 1,195,758	$ 0	$ 243,237	$ 663,128	$ 289,393
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
Energy Efficient Schools Initiative	1,350,845	1.50	6-19-19	10-1-31	$ 1,273,400	$ 0	$ 104,556	$ 0	$ 1,168,844
Total Other Loans Payable					$ 1,273,400	$ 0	$ 104,556	$ 0	$ 1,168,844

Exhibit J-2

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

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2022	$ 1,370,000	$ 537,400	$ 1,907,400
2023	1,505,000	476,900	1,981,900
2024	1,445,000	409,950	1,854,950
2025	1,525,000	342,200	1,867,200
2026	1,555,000	270,450	1,825,450
2027	1,600,000	202,100	1,802,100
2028	1,640,000	154,100	1,794,100
2029	1,615,000	104,900	1,719,900
2030	1,655,000	61,650	1,716,650
2031	425,000	17,200	442,200
2032	435,000	8,700	443,700
Total	$ 14,770,000	$ 2,585,550	$ 17,355,550

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2022	$ 250,539	$ 8,653	$ 259,192
2023	19,142	1,162	20,304
2024	19,712	591	20,303
Total	$ 289,393	$ 10,406	$ 299,799

Year Ending June 30	Other Loans Principal	Other Loans Interest	Other Loans Total
2022	$ 106,140	$ 16,932	$ 123,072
2023	107,736	15,336	123,072
2024	109,368	13,704	123,072
2025	111,024	12,048	123,072
2026	112,692	10,380	123,072
2027	114,396	8,676	123,072
2028	116,124	6,948	123,072
2029	117,876	5,196	123,072
2030	119,664	3,408	123,072
2031	121,464	1,608	123,072
2032	32,360	103	32,463
Total	$ 1,168,844	$ 94,339	$ 1,263,183

Exhibit J-3

Grainger County, Tennessee
Schedule of Transfers
Primary Government
For the Year Ended June 30, 2021

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General Fund	Solid Waste/Sanitation	Operations	$ 32,406
"	Sports and Recreation	"	1,395
Sports and Recreation	Solid Waste/Sanitation	"	2,814
Total Transfers Primary Government			$ 36,615

Exhibit J-4

Grainger County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Grainger County School Department
For the Year Ended June 30, 2021

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 99,043	(1)	$ 400,000	Local Government Insurance Pool
Road Superintendent	Section 8-24-102, *TCA*	89,834	(2)	400,000	Local Government Insurance Pool
Director of Schools	State Board of Education and County Board of Education	97,522	(3)	250,000	CNA Surety Company
Trustee	Section 8-24-102, *TCA*	81,668	(4)	902,000	RLI Insurance Company
Assessor of Property:					
Johnny Morgan (7-1-20 through 8-31-20)	Section 8-24-102, *TCA*	14,447	(5)	50,000	Western Surety Company
Donna Shelton (9-1-20 through 6-30-21)	Section 8-24-102, *TCA*	67,221		400,000	Local Government Insurance Pool
County Clerk	Section 8-24-102, *TCA*	81,668	(4)	100,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	81,668	(5)	100,000	"
Clerk and Master	Section 8-24-102, *TCA* and Chancery Court Judge	81,668	(6)	400,000	Local Government Insurance Pool
Register of Deeds	Section 8-24-102, *TCA*	81,668	(4)	100,000	RLI Insurance Company
Sheriff	Section 8-24-102, *TCA,* and County Commission	94,327	(7)	100,000	"
Employee Blanket Bonds:					
County Employees				400,000	Local Government Insurance Pool
School Department Employees				400,000	Tennessee Risk Management Trust

(1) Includes $1,213 for amounts earned in 2019-2020 as result of change in 2020 census population.
(2) Includes $1,099 for amounts earned in 2019-2020 as result of change in 2020 census population.
(3) Does not include salary equity bonus of $1,700, career ladder payment of $1,000, salary supplement of $500, across the board bonus of $3,675, and chief executive officer training supplement of $500.
(4) Includes $1,000 for amounts earned in 2019-2020 as result of change in 2020 census population. Does not include $1,200 certified public administrator incentive.
(5) Includes $1,000 for amounts earned in 2019-2020 as result of change in 2020 census population.
(6) Includes $1,000 for amounts earned in 2019-2020 as result of change in 2020 census population. Does not include special commissioner fees of $3,060.
(7) Includes $1,155 for amounts earned in 2019-2020 as a result of change in the 2020 census population and $4,437 for serving as workhouse superintendent. Does not include $800 training supplement.

Exhibit J-5

Grainger County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2021

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Sports and Recreation
Local Taxes						
County Property Taxes						
Current Property Tax	$ 5,175,578	$ 0	$ 0	$ 704,696	$ 0	$ 105,620
Trustee's Collections - Prior Year	158,322	0	0	17,313	0	3,237
Circuit Clerk/Clerk and Master Collections - Prior Years	118,927	0	0	14,848	0	2,427
Interest and Penalty	29,186	0	0	3,444	0	580
Pickup Taxes	1,127	0	0	154	0	23
Payments in-Lieu-of Taxes - T.V.A.	2,955	0	0	402	0	60
Payments in-Lieu-of Taxes - Local Utilities	313,313	0	0	42,628	0	6,394
Payments in-Lieu-of Taxes - Other	92,189	0	0	12,543	0	1,735
County Local Option Taxes						
Local Option Sales Tax	0	0	0	0	0	0
Local Amusement Tax	1	0	0	0	0	0
Litigation Tax - General	6,721	162	162	0	0	0
Litigation Tax - Special Purpose	29,940	971	1,135	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	14,279	0	0	0	0	0
Litigation Tax - Courthouse Security	3,024	0	0	0	0	0
Business Tax	78,328	0	0	10,157	0	1,598
Mixed Drink Tax	396	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	76,023	0	0	0	0	0
Wholesale Beer Tax	15,731	0	0	0	0	0
Beer Privilege Tax	500	0	0	0	0	0
Total Local Taxes	$ 6,116,540	$ 1,133	$ 1,297	$ 806,185	$ 0	$ 121,674

(Continued)

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

	General	Special Revenue Funds: Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Sports and Recreation
Licenses and Permits						
Licenses						
Marriage Licenses	$ 689	$ 0	$ 0	$ 0	$ 0	$ 0
Cable TV Franchise	88,572	0	0	0	0	0
Permits						
Other Permits	1,285	0	0	0	0	0
Total Licenses and Permits	$ 90,546	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 469	$ 0	$ 0	$ 62	$ 0	$ 10
Officers Costs	2,430	0	0	314	0	41
Drug Control Fines	3,591	0	0	0	5,250	0
Jail Fees	1,204	0	0	0	0	0
DUI Treatment Fines	231	0	0	0	0	0
Data Entry Fee - Circuit Court	995	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	313	0	0	41	0	6
Victims Assistance Assessments	2,523	0	0	0	0	0
General Sessions Court						
Fines	4,844	0	0	625	0	103
Fines for Littering	5	0	0	1	0	0
Officers Costs	8,169	0	0	1,072	0	170
Game and Fish Fines	260	0	0	29	0	5
Drug Control Fines	1,976	0	0	0	1,888	0
Jail Fees	4,780	0	0	0	0	0
DUI Treatment Fines	4,528	0	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds: Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Sports and Recreation
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court (Cont.)						
Data Entry Fee - General Sessions Court	$ 5,644	$ 0	$ 0	$ 0	$ 0	$ 0
Courtroom Security Fee	32,167	0	0	0	0	0
Victims Assistance Assessments	10,419	0	0	0	0	0
Juvenile Court						
Fines	18	0	0	2	0	0
Officers Costs	380	0	0	0	0	0
Game and Fish Fines	24	0	0	3	0	0
Data Entry Fee - Juvenile Court	180	0	0	0	0	0
Courtroom Security Fee	10	0	0	0	0	0
Chancery Court						
Officers Costs	2,410	0	0	0	0	0
Data Entry Fee - Chancery Court	2,134	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	1,800	0
Total Fines, Forfeitures, and Penalties	$ 89,704	$ 0	$ 0	$ 2,149	$ 8,938	$ 335
Charges for Current Services						
General Service Charges						
Other Employee Benefit Charges/Contributions	$ 879	$ 0	$ 0	$ 0	$ 0	$ 0
Commercial and Industrial Waste Collection Charge	0	0	0	200	0	0
Surcharge - Waste Tire Disposal	0	0	0	3,683	0	0
Patient Charges	799,761	0	0	0	0	0
Past Due Collections - Ambulance	279	0	0	0	0	0
Work Release Charges for Board	5,310	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	450
Service Charges	16,641	0	0	0	0	0

(Continued)

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

	General	Special Revenue Funds: Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Sports and Recreation
Charges for Current Services (Cont.)						
Fees						
Recreation Fees	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,222
Copy Fees	530	0	0	0	0	0
Library Fees	2,266	0	0	0	0	0
Archives and Records Management Fee	41,379	0	0	0	0	0
Telephone Commissions	28,954	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	9,070	0	0	0	0	0
Data Processing Fee - Sheriff	1,435	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,600	0	0	0	0	0
Data Processing Fee - County Clerk	3,039	0	0	0	0	0
Vehicle Registration Reinstatement Fees	4,375	0	0	0	0	0
Education Charges						
Other Charges for Services	0	0	0	0	0	0
Total Charges for Current Services	$ 916,518	$ 0	$ 0	$ 3,883	$ 0	$ 5,672
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	37,312	0	0	0	0	0
Sale of Materials and Supplies	20	0	0	0	0	0
Commissary Sales	25,716	0	0	0	0	0
Sale of Recycled Materials	0	0	0	33,667	0	0
Miscellaneous Refunds	61,659	0	0	259	0	513

(Continued)

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

	General	Special Revenue Funds: Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Sports and Recreation
Other Local Revenues (Cont.)						
Nonrecurring Items						
Sale of Equipment	$ 1,602	$ 0	$ 0	$ 6,211	$ 0	$ 0
Sale of Property	63,280	0	0	0	0	0
Damages Recovered from Individuals	8,797	0	0	0	0	0
Contributions and Gifts	19,679	0	0	0	0	16,232
Other Local Revenues						
Other Local Revenues	293	0	0	0	0	0
Total Other Local Revenues	$ 218,358	$ 0	$ 0	$ 40,137	$ 0	$ 16,745
Fees Received From County Officials						
Excess Fees						
Trustee	$ 157,000	$ 0	$ 0	$ 0	$ 0	$ 0
Fees In-Lieu-of Salary						
County Clerk	269,045	0	0	0	0	0
Circuit Court Clerk	30,778	0	0	0	0	0
General Sessions Court Clerk	82,699	0	0	0	0	0
Clerk and Master	59,738	0	0	0	0	0
Juvenile Court Clerk	4,220	0	0	0	0	0
Register	127,978	0	0	0	0	0
Sheriff	7,820	0	0	0	0	0
Total Fees Received From County Officials	$ 739,278	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0
Aging Programs	6,816	0	0	0	0	0
Solid Waste Grants	0	0	0	7,500	0	0

(Continued)

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Sports and Recreation
State of Tennessee (Cont.)						
Public Safety Grants						
Law Enforcement Training Programs	$ 19,200	$ 0	$ 0	$ 0	$ 0	$ 0
Health and Welfare Grants						
Public Health Nurses	87,459	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	1,387	0	0	0	0	0
Other State Revenues						
Income Tax	24,982	0	0	0	0	0
Beer Tax	79,856	0	0	0	0	0
State Revenue Sharing - T.V.A.	525,547	0	0	71,503	0	10,725
State Revenue Sharing - Telecommunications	46,346	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	6,082	0	0	0	0	0
Contracted Prisoner Boarding	195,273	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	49,358	0	0	0	0	28,800
Other State Revenues	873,221	0	0	0	0	0
Total State of Tennessee	$ 1,939,691	$ 0	$ 0	$ 79,003	$ 0	$ 39,525
Federal Government						
Federal Through State						
USDA - Other	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Disaster Relief	0	0	0	0	0	0

(Continued)

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Sports and Recreation
Federal Government (Cont.)						
Federal Through State (Cont.)						
Homeland Security Grants	$ 7,000	$ 0	$ 0	$ 0	$ 0	$ 0
Medicaid	40,944	0	0	0	0	0
Law Enforcement Grants	1,020	0	0	0	0	0
COVID-19 Grant #1	75,583	0	0	0	0	0
COVID-19 Grant A	12,287	0	0	0	0	0
COVID-19 Grant B	7,260	0	0	0	0	0
COVID-19 Grant C	6,041	0	0	0	0	0
COVID-19 Grant D	8,003	0	0	0	0	0
COVID-19 Grant E	288,289	0	0	58,465	0	121
Other Federal through State	76,887	0	0	0	0	0
Total Federal Government	$ 523,314	$ 0	$ 0	$ 58,465	$ 0	$ 121
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 103,645	$ 0	$ 0	$ 0	$ 0	$ 0
Total Other Governments and Citizens Groups	$ 103,645	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 10,737,594	$ 1,133	$ 1,297	$ 989,822	$ 8,938	$ 184,072

(Continued)

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

	Special Revenue Funds			Debt Service Fund	
	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 0	$ 0	$ 563,331	$ 915,141	$ 7,464,366
Trustee's Collections - Prior Year	0	0	17,246	30,191	226,309
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	12,944	21,701	170,847
Interest and Penalty	0	0	3,101	5,441	41,752
Pickup Taxes	0	0	123	198	1,625
Payments in-Lieu-of Taxes - T.V.A.	0	0	322	523	4,262
Payments in-Lieu-of Taxes - Local Utilities	0	0	30,934	55,416	448,685
Payments in-Lieu-of Taxes - Other	0	0	0	16,306	122,773
County Local Option Taxes					
Local Option Sales Tax	0	0	0	757,977	757,977
Local Amusement Tax	0	0	0	0	1
Litigation Tax - General	0	0	0	0	7,045
Litigation Tax - Special Purpose	0	0	0	0	32,046
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	14,279
Litigation Tax - Courthouse Security	0	0	0	0	3,024
Business Tax	0	0	8,526	12,279	110,888
Mixed Drink Tax	0	0	0	0	396
Statutory Local Taxes					
Bank Excise Tax	0	0	0	0	76,023
Wholesale Beer Tax	0	0	0	0	15,731
Beer Privilege Tax	0	0	0	0	500
Total Local Taxes	$ 0	$ 0	$ 636,527	$ 1,815,173	$ 9,498,529

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	
	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Licenses and Permits					
Licenses					
Marriage Licenses	$ 0	$ 0	$ 0	$ 0	$ 689
Cable TV Franchise	0	0	0	0	88,572
Permits					
Other Permits	0	0	0	0	1,285
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 90,546
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 0	$ 0	$ 54	$ 91	$ 686
Officers Costs	0	0	216	438	3,439
Drug Control Fines	0	0	0	0	8,841
Jail Fees	0	0	0	0	1,204
DUI Treatment Fines	0	0	0	0	231
Data Entry Fee - Circuit Court	0	0	0	0	995
Criminal Court					
DUI Treatment Fines	0	0	34	56	450
Victims Assistance Assessments	0	0	0	0	2,523
General Sessions Court					
Fines	0	0	548	873	6,993
Fines for Littering	0	0	1	1	8
Officers Costs	0	0	937	1,465	11,813
Game and Fish Fines	0	0	28	49	371
Drug Control Fines	0	0	0	0	3,864
Jail Fees	0	0	0	0	4,780
DUI Treatment Fines	0	0	0	0	4,528

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	
	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)					
General Sessions Court (Cont.)					
Data Entry Fee - General Sessions Court	$ 0	$ 0	$ 0	$ 0	$ 5,644
Courtroom Security Fee	0	0	0	0	32,167
Victims Assistance Assessments	0	0	0	0	10,419
Juvenile Court					
Fines	0	0	2	3	25
Officers Costs	0	0	0	0	380
Game and Fish Fines	0	0	3	4	34
Data Entry Fee - Juvenile Court	0	0	0	0	180
Courtroom Security Fee	0	0	0	0	10
Chancery Court					
Officers Costs	0	0	0	0	2,410
Data Entry Fee - Chancery Court	0	0	0	0	2,134
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	1,800
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 1,823	$ 2,980	$ 105,929
Charges for Current Services					
General Service Charges					
Other Employee Benefit Charges/Contributions	$ 0	$ 0	$ 0	$ 0	$ 879
Commercial and Industrial Waste Collection Charge	0	0	0	0	200
Surcharge - Waste Tire Disposal	0	0	0	0	3,683
Patient Charges	0	0	0	0	799,761
Past Due Collections - Ambulance	0	0	0	0	279
Work Release Charges for Board	0	0	0	0	5,310
Other General Service Charges	0	0	0	0	450
Service Charges	0	0	0	0	16,641

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	
	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Charges for Current Services (Cont.)					
Fees					
Recreation Fees	$ 0	$ 0	$ 0	$ 0	$ 5,222
Copy Fees	0	0	0	0	530
Library Fees	0	0	0	0	2,266
Archives and Records Management Fee	0	0	0	0	41,379
Telephone Commissions	0	0	0	0	28,954
Constitutional Officers' Fees and Commissions	0	168,607	0	0	168,607
Special Commissioner Fees/Special Master Fees	0	3,060	0	0	3,060
Data Processing Fee - Register	0	0	0	0	9,070
Data Processing Fee - Sheriff	0	0	0	0	1,435
Sexual Offender Registration Fee - Sheriff	0	0	0	0	2,600
Data Processing Fee - County Clerk	0	0	0	0	3,039
Vehicle Registration Reinstatement Fees	0	0	0	0	4,375
Education Charges					
Other Charges for Services	0	0	4,343	0	4,343
Total Charges for Current Services	$ 0	$ 171,667	$ 4,343	$ 0	$ 1,102,083
Other Local Revenues					
Recurring Items					
Investment Income	$ 130	$ 0	$ 0	$ 82,773	$ 82,903
Lease/Rentals	0	0	0	0	37,312
Sale of Materials and Supplies	0	0	0	0	20
Commissary Sales	0	0	0	0	25,716
Sale of Recycled Materials	0	0	1,582	0	35,249
Miscellaneous Refunds	0	0	66	0	62,497

(Continued)

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

	Special Revenue Funds			Debt Service Fund	
	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Other Local Revenues (Cont.)					
Nonrecurring Items					
Sale of Equipment	$ 0	$ 0	$ 0	$ 0	$ 7,813
Sale of Property	0	0	0	0	63,280
Damages Recovered from Individuals	0	0	0	0	8,797
Contributions and Gifts	0	0	0	0	35,911
Other Local Revenues					
Other Local Revenues	0	0	0	0	293
Total Other Local Revenues	$ 130	$ 0	$ 1,648	$ 82,773	$ 359,791
Fees Received From County Officials					
Excess Fees					
Trustee	$ 0	$ 0	$ 0	$ 0	$ 157,000
Fees In-Lieu-of Salary					
County Clerk	0	0	0	0	269,045
Circuit Court Clerk	0	0	0	0	30,778
General Sessions Court Clerk	0	0	0	0	82,699
Clerk and Master	0	0	0	0	59,738
Juvenile Court Clerk	0	0	0	0	4,220
Register	0	0	0	0	127,978
Sheriff	0	0	0	0	7,820
Total Fees Received From County Officials	$ 0	$ 0	$ 0	$ 0	$ 739,278
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 9,000
Aging Programs	0	0	0	0	6,816
Solid Waste Grants	0	0	0	0	7,500

(Continued)

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

	Special Revenue Funds			Debt Service Fund	
	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
State of Tennessee (Cont.)					
Public Safety Grants					
Law Enforcement Training Programs	$ 0	$ 0	$ 0	$ 0	$ 19,200
Health and Welfare Grants					
Public Health Nurses	0	0	0	0	87,459
Public Works Grants					
Bridge Program	0	0	358,535	0	358,535
State Aid Program	0	0	182,504	0	182,504
Litter Program	0	0	0	0	1,387
Other State Revenues					
Income Tax	0	0	0	0	24,982
Beer Tax	0	0	0	0	79,856
State Revenue Sharing - T.V.A.	0	0	57,203	92,954	757,932
State Revenue Sharing - Telecommunications	0	0	0	0	46,346
State Shared Sports Gaming Privilege Tax	0	0	0	0	6,082
Contracted Prisoner Boarding	0	0	0	0	195,273
Gasoline and Motor Fuel Tax	0	0	2,080,471	0	2,080,471
Petroleum Special Tax	0	0	16,348	0	16,348
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	78,158
Other State Revenues	0	0	0	0	873,221
Total State of Tennessee	$ 0	$ 0	$ 2,695,061	$ 92,954	$ 4,846,234
Federal Government					
Federal Through State					
USDA - Other	$ 0	$ 0	$ 131,645	$ 0	$ 131,645
Disaster Relief	0	0	48,846	0	48,846

(Continued)

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

	Special Revenue Funds			Debt Service Fund	
	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Federal Government (Cont.)					
Federal Through State (Cont.)					
Homeland Security Grants	$ 0	$ 0	$ 0	$ 0	$ 7,000
Medicaid	0	0	0	0	40,944
Law Enforcement Grants	0	0	0	0	1,020
COVID-19 Grant #1	0	0	0	0	75,583
COVID-19 Grant A	0	0	0	0	12,287
COVID-19 Grant B	0	0	0	0	7,260
COVID-19 Grant C	0	0	0	0	6,041
COVID-19 Grant D	0	0	0	0	8,003
COVID-19 Grant E	0	0	300	0	347,175
Other Federal through State	0	0	0	0	76,887
Total Federal Government	$ 0	$ 0	$ 180,791	$ 0	$ 762,691
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 0	$ 0	$ 0	$ 823,072	$ 926,717
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 823,072	$ 926,717
Total	$ 130	$ 171,667	$ 3,520,193	$ 2,816,952	$ 18,431,798

Grainger County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2021

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 2,396,508	$ 0	$ 0	$ 0	$ 2,396,508
Trustee's Collections - Prior Year	75,573	0	0	0	75,573
Circuit Clerk/Clerk and Master Collections - Prior Years	55,680	0	0	0	55,680
Interest and Penalty	13,468	0	0	0	13,468
Pickup Taxes	523	0	0	0	523
Payments in-Lieu-of Taxes - T.V.A.	1,367	0	0	0	1,367
Payments in-Lieu-of Taxes - Local Utilities	144,934	0	0	0	144,934
Payments in-Lieu-of Taxes - Other	40,483	0	0	0	40,483
County Local Option Taxes					
Local Option Sales Tax	1,966,651	0	0	0	1,966,651
Business Tax	36,483	0	0	0	36,483
Total Local Taxes	$ 4,731,670	$ 0	$ 0	$ 0	$ 4,731,670
Licenses and Permits					
Licenses					
Marriage Licenses	$ 674	$ 0	$ 0	$ 0	$ 674
Total Licenses and Permits	$ 674	$ 0	$ 0	$ 0	$ 674
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 233	$ 0	$ 0	$ 0	$ 233
Officers Costs	928	0	0	0	928
Criminal Court					
DUI Treatment Fines	146	0	0	0	146

(Continued)

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Fines, Forfeitures, and Penalties (Cont.)					
General Sessions Court					
Fines	$ 2,353	$ 0	$ 0	$ 0	$ 2,353
Fines for Littering	2	0	0	0	2
Officers Costs	3,882	0	0	0	3,882
Game and Fish Fines	124	0	0	0	124
Juvenile Court					
Fines	8	0	0	0	8
Game and Fish Fines	11	0	0	0	11
Total Fines, Forfeitures, and Penalties	$ 7,687	$ 0	$ 0	$ 0	$ 7,687
Charges for Current Services					
Education Charges					
Lunch Payments - Children	$ 0	$ 0	$ 6,662	$ 0	$ 6,662
Lunch Payments - Adults	0	0	29,849	0	29,849
Income from Breakfast	0	0	301	0	301
A la Carte Sales	0	0	14,389	0	14,389
Receipts from Individual Schools	0	0	531	0	531
Community Service Fees - Adults	55	0	0	0	55
Other Charges for Services	0	0	16,655	0	16,655
Total Charges for Current Services	$ 55	$ 0	$ 68,387	$ 0	$ 68,442
Other Local Revenues					
Recurring Items					
Investment Income	$ 23,069	$ 0	$ 671	$ 0	$ 23,740
Lease/Rentals	1,800	0	0	0	1,800
Miscellaneous Refunds	50,680	0	45,637	0	96,317

(Continued)

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Other Local Revenues (Cont.)					
Nonrecurring Items					
Contributions and Gifts	$ 5,000	$ 0	$ 0	$ 0	$ 5,000
Other Local Revenues					
Other Local Revenues	105	0	0	1,291,441	1,291,546
Total Other Local Revenues	$ 80,654	$ 0	$ 46,308	$ 1,291,441	$ 1,418,403
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 120,380	$ 0	$ 0	$ 0	$ 120,380
State Education Funds					
Basic Education Program	21,685,452	0	0	0	21,685,452
Early Childhood Education	422,892	0	0	0	422,892
School Food Service	0	0	16,353	0	16,353
Driver Education	7,976	0	0	0	7,976
Other State Education Funds	552,399	0	0	0	552,399
Career Ladder Program	77,269	0	0	0	77,269
Other State Revenues					
State Revenue Sharing - T.V.A.	243,110	0	0	0	243,110
Other State Grants	393,480	0	0	0	393,480
Safe Schools	93,554	0	0	0	93,554
Other State Revenues	105,268	0	0	0	105,268
Total State of Tennessee	$ 23,701,780	$ 0	$ 16,353	$ 0	$ 23,718,133

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 1,419,495	$ 0	$ 1,419,495
USDA - Commodities	0	0	143,730	0	143,730
Breakfast	0	0	773,134	0	773,134
USDA - Other	0	0	4,878	0	4,878
Vocational Education - Basic Grants to States	0	107,934	0	0	107,934
Title I Grants to Local Education Agencies	0	951,374	0	0	951,374
Special Education - Grants to States	17,911	810,401	0	0	828,312
Special Education Preschool Grants	0	36,214	0	0	36,214
English Language Acquisition Grants	0	151	0	0	151
Rural Education	0	103,852	0	0	103,852
Eisenhower Professional Development State Grants	0	208,963	0	0	208,963
COVID-19 Grant #1	142,292	686,355	0	0	828,647
COVID-19 Grant #2	60,000	0	0	0	60,000
COVID-19 Grant #4	84,835	0	0	0	84,835
COVID-19 Grant B	0	1,774,803	0	0	1,774,803
Direct Federal Revenue					
ROTC Reimbursement	60,710	0	0	0	60,710
Total Federal Government	$ 365,748	$ 4,680,047	$ 2,341,237	$ 0	$ 7,387,032
Total	$ 28,888,268	$ 4,680,047	$ 2,472,285	$ 1,291,441	$ 37,332,041

Exhibit J-7

Grainger County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2021

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	44,750		
Social Security		3,423		
Pensions		3,489		
Unemployment Compensation		2		
Dues and Memberships		1,450		
Total County Commission			$	53,114
Board of Equalization				
Board and Committee Members Fees	$	1,575		
Total Board of Equalization				1,575
Beer Board				
Board and Committee Members Fees	$	500		
Total Beer Board				500
Budget and Finance Committee				
Board and Committee Members Fees	$	3,208		
Total Budget and Finance Committee				3,208
County Mayor/Executive				
County Official/Administrative Officer	$	99,043		
Salary Supplements		1,000		
Longevity Pay		500		
Other Salaries and Wages		57,363		
Social Security		10,796		
Pensions		14,940		
Medical Insurance		5,250		
Unemployment Compensation		212		
Communication		2,524		
Data Processing Services		11,975		
Maintenance Agreements		1,200		
Postal Charges		1,491		
Printing, Stationery, and Forms		807		
Travel		609		
Office Supplies		1,140		
Office Equipment		415		
Total County Mayor/Executive				209,265
Election Commission				
County Official/Administrative Officer	$	73,502		
Assistant(s)		26,366		
Salary Supplements		1,700		
Longevity Pay		600		
Election Commission		22,250		
Election Workers		32,804		
Social Security		6,617		
Pensions		9,499		

(Continued)

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission (Cont.)				
Medical Insurance	$	3,000		
Unemployment Compensation		112		
Communication		2,580		
Legal Notices, Recording, and Court Costs		4,952		
Maintenance Agreements		14,174		
Maintenance and Repair Services - Equipment		559		
Maintenance and Repair Services - Office Equipment		728		
Postal Charges		4,784		
Printing, Stationery, and Forms		3,362		
Rentals		9,600		
Electricity		1,612		
Office Supplies		6,254		
Propane Gas		2,010		
Water and Sewer		637		
Other Charges		416		
Other Equipment		2,864		
Total Election Commission			$	230,982
Register of Deeds				
County Official/Administrative Officer	$	81,668		
Salary Supplements		2,450		
Clerical Personnel		54,279		
Part-time Personnel		7,315		
Longevity Pay		2,150		
Social Security		10,457		
Pensions		12,972		
Medical Insurance		6,000		
Unemployment Compensation		227		
Communication		1,386		
Data Processing Services		5,000		
Dues and Memberships		1,047		
Maintenance Agreements		3,301		
Maintenance and Repair Services - Office Equipment		1,189		
Postal Charges		293		
Printing, Stationery, and Forms		200		
Travel		1,048		
Office Supplies		1,942		
Office Equipment		1,236		
Total Register of Deeds				194,160
Planning				
Board and Committee Members Fees	$	8,125		
Other Contracted Services		10,175		
Total Planning				18,300
County Buildings				
Salary Supplements	$	500		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
General Government (Cont.)				
County Buildings (Cont.)				
Custodial Personnel	$	24,962		
Maintenance Personnel		11,241		
Social Security		2,753		
Pensions		3,371		
Medical Insurance		2,250		
Unemployment Compensation		130		
Maintenance and Repair Services - Buildings		25,840		
Custodial Supplies		824		
Electricity		21,327		
Propane Gas		8,349		
Water and Sewer		3,500		
Building Improvements		26,954		
Total County Buildings			$	132,001
Other Facilities				
Salary Supplements	$	500		
Maintenance Personnel		29,131		
Longevity Pay		350		
Social Security		1,988		
Pensions		2,862		
Medical Insurance		3,000		
Unemployment Compensation		56		
Communication		862		
Maintenance and Repair Services - Buildings		99,049		
Custodial Supplies		1,651		
Electricity		101,328		
Propane Gas		41,864		
Water and Sewer		50,743		
Total Other Facilities				333,384
Preservation of Records				
Salary Supplements	$	250		
Part-time Personnel		12,990		
Social Security		1,013		
Unemployment Compensation		78		
Communication		2,692		
Postal Charges		66		
Office Supplies		742		
Other Supplies and Materials		25		
Other Charges		405		
Other Equipment		385		
Total Preservation of Records				18,646
Finance				
Property Assessor's Office				
County Official/Administrative Officer	$	81,668		
Assistant(s)		25,070		

(Continued)

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

General Fund (Cont.)		
Finance (Cont.)		
Property Assessor's Office (Cont.)		
Salary Supplements	$ 750	
Secretary(ies)	33,290	
Part-time Personnel	6,450	
Longevity Pay	450	
Social Security	10,552	
Pensions	11,311	
Medical Insurance	3,625	
Unemployment Compensation	168	
Communication	1,320	
Contracts with Private Agencies	8,146	
Data Processing Services	15,507	
Dues and Memberships	61	
Maintenance Agreements	706	
Maintenance and Repair Services - Vehicles	947	
Postal Charges	608	
Gasoline	1,342	
Office Supplies	1,416	
Premiums on Corporate Surety Bonds	1,000	
Total Property Assessor's Office		$ 204,387
County Trustee's Office		
Social Security	$ 14,185	
Pensions	17,936	
Medical Insurance	3,000	
Unemployment Compensation	242	
Communication	2,900	
Data Processing Services	26,719	
Dues and Memberships	947	
Maintenance Agreements	1,039	
Postal Charges	7,588	
Printing, Stationery, and Forms	985	
Travel	1,042	
Office Supplies	4,927	
Premiums on Corporate Surety Bonds	2,678	
Data Processing Equipment	956	
Office Equipment	2,970	
Total County Trustee's Office		88,114
County Clerk's Office		
County Official/Administrative Officer	$ 81,668	
Salary Supplements	4,900	
Secretary(ies)	131,804	
Clerical Personnel	23,651	
Longevity Pay	2,650	
Social Security	17,963	
Pensions	22,924	
Medical Insurance	11,750	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
County Clerk's Office (Cont.)				
Unemployment Compensation	$	849		
Communication		6,381		
Data Processing Services		21,291		
Dues and Memberships		1,337		
Maintenance Agreements		675		
Postal Charges		9,990		
Printing, Stationery, and Forms		3,374		
Travel		3,260		
Office Supplies		5,173		
Other Charges		212		
Data Processing Equipment		7,108		
Office Equipment		252		
Total County Clerk's Office			$	357,212
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	81,668		
Deputy(ies)		20,730		
Salary Supplements		1,500		
Secretary(ies)		26,040		
Longevity Pay		800		
Jury and Witness Expense		3,358		
Social Security		9,278		
Pensions		12,088		
Medical Insurance		6,000		
Unemployment Compensation		105		
Communication		5,719		
Dues and Memberships		772		
Legal Notices, Recording, and Court Costs		260		
Maintenance Agreements		22,192		
Postal Charges		2,100		
Printing, Stationery, and Forms		1,500		
Travel		729		
Office Supplies		4,486		
Office Equipment		26,820		
Total Circuit Court				226,145
General Sessions Court				
Judge(s)	$	106,647		
Salary Supplements		500		
Secretary(ies)		77,835		
Longevity Pay		1,000		
Other Salaries and Wages		4,283		
Social Security		14,228		
Pensions		18,453		
Medical Insurance		8,375		
Unemployment Compensation		248		

(Continued)

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Court (Cont.)		
Maintenance Agreements	$ 961	
Postal Charges	426	
Printing, Stationery, and Forms	471	
Travel	759	
Library Books/Media	734	
Office Supplies	1,242	
Total General Sessions Court		$ 236,162
Chancery Court		
County Official/Administrative Officer	$ 81,668	
Deputy(ies)	31,036	
Salary Supplements	500	
Longevity Pay	1,050	
Social Security	7,672	
Pensions	10,544	
Medical Insurance	7,887	
Unemployment Compensation	56	
Communication	2,200	
Dues and Memberships	772	
Maintenance Agreements	5,772	
Postal Charges	1,024	
Printing, Stationery, and Forms	364	
Travel	20	
Library Books/Media	647	
Office Supplies	1,048	
Office Equipment	1,684	
Total Chancery Court		153,944
Juvenile Court		
Assistant(s)	$ 28,815	
Supervisor/Director	39,017	
Probation Officer(s)	6,783	
Salary Supplements	1,000	
Longevity Pay	650	
Social Security	5,365	
Pensions	6,648	
Medical Insurance	6,000	
Unemployment Compensation	112	
Communication	2,401	
Contracts with Other Public Agencies	17,745	
Postal Charges	126	
Office Supplies	784	
Other Supplies and Materials	415	
Office Equipment	898	
Total Juvenile Court		116,759

(Continued)

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
District Attorney General		
Salary Supplements	$ 500	
Longevity Pay	150	
Other Salaries and Wages	37,798	
Social Security	2,893	
Pensions	3,733	
Medical Insurance	3,000	
Unemployment Compensation	56	
Postal Charges	89	
Travel	1,464	
Office Supplies	748	
Other Supplies and Materials	200	
Maintenance Equipment	1,050	
Total District Attorney General		$ 51,681
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 94,327	
Deputy(ies)	529,070	
Investigator(s)	49,005	
Sergeant(s)	190,370	
Medical Personnel	54,495	
Salary Supplements	31,200	
Secretary(ies)	47,715	
School Resource Officer	204,985	
Longevity Pay	6,500	
In-service Training	11,953	
Social Security	83,564	
Pensions	101,865	
Medical Insurance	52,474	
Unemployment Compensation	1,764	
Communication	29,676	
Data Processing Services	3,856	
Dues and Memberships	3,675	
Operating Lease Payments	11,536	
Maintenance Agreements	28,035	
Maintenance and Repair Services - Vehicles	65,861	
Postal Charges	932	
Printing, Stationery, and Forms	1,734	
Travel	2,999	
Gasoline	85,464	
Law Enforcement Supplies	65,461	
Office Supplies	10,017	
Tires and Tubes	13,801	
Uniforms	11,961	
Other Supplies and Materials	19,692	
Other Charges	18,164	
Communication Equipment	6,845	
Motor Vehicles	156,949	
Total Sheriff's Department		1,995,945

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Jail				
Salary Supplements	$	11,000		
Guards		607,788		
Cafeteria Personnel		65,378		
Longevity Pay		2,900		
Social Security		51,348		
Pensions		64,437		
Medical Insurance		30,610		
Unemployment Compensation		1,639		
Medical and Dental Services		222,120		
Other Contracted Services		51,438		
Drugs and Medical Supplies		5,966		
Food Preparation Supplies		164,000		
Uniforms		7,487		
Other Supplies and Materials		89,611		
Other Charges		84,109		
Total Jail			$	1,459,831
Fire Prevention and Control				
Contracts with Government Agencies	$	1,500		
Total Fire Prevention and Control				1,500
Civil Defense				
Supervisor/Director	$	10,057		
Salary Supplements		250		
In-service Training		492		
Social Security		788		
Unemployment Compensation		59		
Communication		3,486		
Maintenance and Repair Services - Equipment		2,883		
Maintenance and Repair Services - Office Equipment		10,055		
Maintenance and Repair Services - Vehicles		4,798		
Printing, Stationery, and Forms		169		
Rentals		93		
Diesel Fuel		333		
Gasoline		703		
Office Supplies		92		
Communication Equipment		10,129		
Other Equipment		7,296		
Total Civil Defense				51,683
Other Emergency Management				
Contributions	$	225,000		
Other Supplies and Materials		548		
Total Other Emergency Management				225,548
Inspection and Regulation				
Supervisor/Director	$	3,250		

(Continued)

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

General Fund (Cont.)				
Public Safety (Cont.)				
Inspection and Regulation (Cont.)				
Social Security	$	249		
Unemployment Compensation		4		
Total Inspection and Regulation			$	3,503
Public Health and Welfare				
Local Health Center				
Salary Supplements	$	1,000		
Longevity Pay		250		
Other Salaries and Wages		64,163		
Social Security		4,854		
Pensions		5,857		
Medical Insurance		1,875		
Unemployment Compensation		158		
Communication		3,189		
Dues and Memberships		400		
Maintenance Agreements		10,142		
Maintenance and Repair Services - Buildings		1,698		
Office Supplies		534		
Utilities		11,556		
Other Charges		1,598		
Total Local Health Center				107,274
Ambulance/Emergency Medical Services				
Supervisor/Director	$	50,270		
Medical Personnel		985,651		
Paraprofessionals		4,500		
Salary Supplements		14,000		
Longevity Pay		1,600		
Other Salaries and Wages		32,309		
In-service Training		1,449		
Social Security		80,230		
Pensions		88,577		
Medical Insurance		40,943		
Unemployment Compensation		2,196		
Communication		19,000		
Debt Collection Services		37,939		
Licenses		3,452		
Maintenance Agreements		10,924		
Maintenance and Repair Services - Vehicles		19,509		
Postal Charges		417		
Rentals		6,600		
Diesel Fuel		39,414		
Drugs and Medical Supplies		61,347		
Electricity		11,819		
Office Supplies		2,916		
Tires and Tubes		6,726		
Uniforms		9,704		

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Ambulance/Emergency Medical Services (Cont.)		
Water and Sewer	$ 2,036	
Other Supplies and Materials	3,160	
Other Charges	20,962	
Building Improvements	2,560	
Communication Equipment	10,409	
Total Ambulance/Emergency Medical Services		$ 1,570,619
Appropriation to State		
Contracts with Government Agencies	$ 21,484	
Total Appropriation to State		21,484
General Welfare Assistance		
Contributions	$ 7,000	
Total General Welfare Assistance		7,000
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Supervisor/Director	$ 30,190	
Salary Supplements	3,000	
Longevity Pay	150	
Social Security	2,372	
Pensions	3,235	
Medical Insurance	3,000	
Unemployment Compensation	56	
Communication	2,282	
Contributions	13,000	
Travel	4,954	
Office Supplies	243	
Other Supplies and Materials	6,041	
Office Equipment	125	
Total Senior Citizens Assistance		68,648
Libraries		
Assistant(s)	$ 11,042	
Librarians	78,511	
Salary Supplements	2,250	
Longevity Pay	2,300	
Social Security	6,876	
Pensions	7,846	
Medical Insurance	6,000	
Unemployment Compensation	296	
Communication	5,874	
Data Processing Services	3,649	
Maintenance and Repair Services - Buildings	1,341	
Maintenance and Repair Services - Office Equipment	1,921	
Postal Charges	446	
Travel	24	

(Continued)

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Libraries (Cont.)		
Other Contracted Services	$ 125	
Electricity	8,065	
Library Books/Media	22,598	
Office Supplies	1,354	
Periodicals	864	
Water and Sewer	1,774	
Other Supplies and Materials	2,153	
Other Charges	4,889	
Total Libraries		$ 170,198
Agriculture and Natural Resources		
Agricultural Extension Service		
Salary Supplements	$ 56,030	
Communication	2,420	
Dues and Memberships	210	
Maintenance Agreements	877	
Travel	100	
Utilities	5,784	
Water and Sewer	578	
Total Agricultural Extension Service		65,999
Soil Conservation		
Supervisor/Director	$ 28,849	
Salary Supplements	2,000	
Secretary(ies)	23,971	
Longevity Pay	1,700	
Other Salaries and Wages	30,093	
Social Security	5,813	
Pensions	8,173	
Unemployment Compensation	168	
Communication	2,600	
Contributions	5,500	
Rentals	4,200	
Other Supplies and Materials	1,071	
Other Charges	135	
Office Equipment	510	
Total Soil Conservation		114,783
Other Operations		
Tourism		
Other Construction	$ 15,507	
Total Tourism		15,507
Industrial Development		
Salary Supplements	$ 500	
Other Salaries and Wages	41,470	
Social Security	3,194	

(Continued)

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

General Fund (Cont.)		
Other Operations (Cont.)		
Industrial Development (Cont.)		
Unemployment Compensation	$ 112	
Maintenance and Repair Services - Equipment	631	
Other Contracted Services	186	
Electricity	14,284	
Water and Sewer	860	
Other Supplies and Materials	3,602	
Other Charges	3,244	
Other Construction	1,511	
Total Industrial Development		$ 69,594
Veterans' Services		
Supervisor/Director	$ 10,031	
Salary Supplements	250	
Social Security	786	
Unemployment Compensation	59	
Communication	873	
Travel	32	
Other Supplies and Materials	100	
Office Equipment	500	
Total Veterans' Services		12,631
Other Charges		
Medical Insurance	$ 5,829	
Other Contracted Services	3,843	
Other Supplies and Materials	25,194	
Building and Contents Insurance	28,529	
Liability Insurance	55,496	
Trustee's Commission	151,381	
Vehicle and Equipment Insurance	49,278	
Workers' Compensation Insurance	122,184	
Total Other Charges		441,734
Contributions to Other Agencies		
Contributions	$ 3,551	
Total Contributions to Other Agencies		3,551
COVID-19 Grant #1		
Other Supplies and Materials	$ 75,583	
Total COVID-19 Grant #1		75,583
Miscellaneous		
Audit Services	$ 19,373	
Contributions	38,000	
Legal Services	11,047	
Pauper Burials	550	
Premiums on Corporate Surety Bonds	675	
Other Charges	36,161	
Total Miscellaneous		105,806

(Continued)

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

General Fund (Cont.)			
Highways			
Litter and Trash Collection			
Salary Supplements	$ 250		
Guards	17,369		
Social Security	1,295		
Pensions	863		
Medical Insurance	500		
Unemployment Compensation	4		
Instructional Supplies and Materials	11,025		
Other Supplies and Materials	1,994		
Total Litter and Trash Collection		$ 33,300	
Total General Fund			$ 9,251,260
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Maintenance and Repair Services - Buildings	$ 5,800		
Trustee's Commission	11		
Total County Buildings		$ 5,811	
Total Courthouse and Jail Maintenance Fund			5,811
Law Library Fund			
Social, Cultural, and Recreational Services			
Libraries			
Trustee's Commission	$ 13		
Total Libraries		$ 13	
Total Law Library Fund			13
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Salary Supplements	$ 5,250		
Attendants	237,983		
Longevity Pay	500		
Social Security	18,091		
Pensions	7,608		
Medical Insurance	6,250		
Unemployment Compensation	1,061		
Communication	2,053		
Maintenance and Repair Services - Vehicles	24,182		
Disposal Fees	482,050		
Other Contracted Services	1,000		
Asphalt - Hot Mix	200		
Diesel Fuel	4,525		
Lubricants	215		
Utilities	10,580		

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Sanitation Management (Cont.)			
Other Supplies and Materials	$ 5,697		
Liability Insurance	5,950		
Trustee's Commission	16,652		
Vehicle and Equipment Insurance	22,000		
Workers' Compensation Insurance	19,600		
Maintenance Equipment	20,861		
Solid Waste Equipment	57,173		
Total Sanitation Management		$ 949,481	
Postclosure Care Costs			
Other Contracted Services	$ 1,000		
Testing	5,932		
Total Postclosure Care Costs		6,932	
Total Solid Waste/Sanitation Fund			$ 956,413
Drug Control Fund			
Public Safety			
Drug Enforcement			
Trustee's Commission	$ 71		
Total Drug Enforcement		$ 71	
Total Drug Control Fund			71
Sports and Recreation Fund			
Social, Cultural, and Recreational Services			
Parks and Fair Boards			
Supervisor/Director	$ 35,555		
Salary Supplements	1,250		
Clerical Personnel	13,318		
Custodial Personnel	33,044		
Longevity Pay	850		
Social Security	6,032		
Pensions	6,516		
Medical Insurance	5,675		
Unemployment Compensation	161		
Communication	4,494		
Contributions	1,090		
Maintenance and Repair Services - Equipment	2,000		
Postal Charges	160		
Other Contracted Services	52,486		
Electricity	12,234		
Gasoline	3,000		
Office Supplies	626		
Other Supplies and Materials	1,905		
Trustee's Commission	2,586		
Vehicle and Equipment Insurance	5,403		

(Continued)

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

Sports and Recreation Fund (Cont.)			
Social, Cultural, and Recreational Services (Cont.)			
Parks and Fair Boards (Cont.)			
Other Charges	$ 5,731		
Maintenance Equipment	2,445		
Other Equipment	151		
Other Construction	145,188		
Total Parks and Fair Boards		$ 341,900	
Total Sports and Recreation Fund			$ 341,900
Constitutional Officers - Fees Fund			
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 191,085		
Total County Trustee's Office		$ 191,085	
Administration of Justice			
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 3,060		
Constitutional Officers' Operating Expenses	969		
Total Chancery Court		4,029	
Total Constitutional Officers - Fees Fund			195,114
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 89,834		
Accountants/Bookkeepers	37,765		
Salary Supplements	1,800		
Secretary(ies)	15,050		
Social Security	10,450		
Pensions	9,809		
Life Insurance	43		
Medical Insurance	3,152		
Unemployment Compensation	418		
Data Processing Services	7,859		
Legal Notices, Recording, and Court Costs	465		
Postal Charges	605		
Office Supplies	1,604		
Other Charges	24,845		
Total Administration		$ 203,699	
Highway and Bridge Maintenance			
Salary Supplements	$ 13,050		
Foremen	107,183		
Equipment Operators	171,153		
Truck Drivers	185,522		
Laborers	225,042		

(Continued)

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance (Cont.)		
Social Security	$ 51,631	
Pensions	68,287	
Employee and Dependent Insurance	5	
Life Insurance	403	
Medical Insurance	45,067	
Unemployment Compensation	4,553	
Rentals	3,289	
Asphalt - Cold Mix	4,597	
Asphalt - Hot Mix	479,890	
Crushed Stone	54,211	
Pipe - Metal	17,480	
Road Signs	7,645	
Other Supplies and Materials	1,504	
Other Charges	1,542	
State Aid Projects	366,637	
Total Highway and Bridge Maintenance		$ 1,808,691
Operation and Maintenance of Equipment		
Salary Supplements	$ 950	
Mechanic(s)	73,996	
Nightwatchmen	14,851	
Social Security	6,395	
Pensions	5,927	
Life Insurance	43	
Medical Insurance	6,016	
Unemployment Compensation	626	
Maintenance and Repair Services - Equipment	10,184	
Diesel Fuel	42,318	
Electricity	4,380	
Equipment and Machinery Parts	50,754	
Gasoline	35,295	
Lubricants	5,233	
Small Tools	1,007	
Tires and Tubes	23,003	
Other Supplies and Materials	4,080	
Total Operation and Maintenance of Equipment		285,058
Other Charges		
Communication	$ 8,327	
Custodial Supplies	22	
Electricity	2,068	
Water and Sewer	633	
Trustee's Commission	34,117	
Vehicle and Equipment Insurance	108,066	
Workers' Compensation Insurance	138,590	
Other Self-insured Claims	2,361	
Communication Equipment	3,090	
Total Other Charges		297,274

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Capital Outlay			
Highway Equipment	$ 237,011		
State Aid Projects	204,272		
Total Capital Outlay		$ 441,283	
Total Highway/Public Works Fund			$ 3,036,005
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 219,100		
Principal on Notes	243,237		
Total General Government		$ 462,337	
Education			
Principal on Bonds	$ 1,295,900		
Principal on Other Loans	104,556		
Total Education		1,400,456	
Interest on Debt			
General Government			
Interest on Bonds	$ 64,253		
Interest on Notes	15,956		
Total General Government		80,209	
Education			
Interest on Bonds	$ 331,126		
Interest on Other Loans	18,516		
Total Education		349,642	
Other Debt Service			
General Government			
Trustee's Commission	$ 30,118		
Underwriter's Discount	26,570		
Other Debt Issuance Charges	36,577		
Total General Government		93,265	
Education			
Underwriter's Discount	$ 87,587		
Other Debt Issuance Charges	158,680		
Other Debt Service	707		
Total Education		246,974	
Total General Debt Service Fund			2,632,883
Total Governmental Funds - Primary Government			$ 16,419,470

Grainger County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2021

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 8,479,000	
Career Ladder Program	42,818	
Career Ladder Extended Contracts	1,475	
Homebound Teachers	4,260	
Educational Assistants	293,960	
Bonus Payments	234,981	
Other Salaries and Wages	495,456	
Certified Substitute Teachers	10,580	
Non-certified Substitute Teachers	124,062	
Social Security	563,899	
Pensions	847,044	
Life Insurance	4,809	
Medical Insurance	1,811,991	
Unemployment Compensation	7,456	
Employer Medicare	132,854	
Retirement - Hybrid Stabilization	43,555	
Other Contracted Services	7,900	
Instructional Supplies and Materials	115,954	
Textbooks - Bound	75,000	
Other Charges	115,543	
Regular Instruction Equipment	149,638	
Total Regular Instruction Program		$ 13,562,235
Alternative Instruction Program		
Teachers	$ 46,335	
Social Security	2,873	
Pensions	4,759	
Life Insurance	29	
Medical Insurance	4,248	
Unemployment Compensation	35	
Employer Medicare	672	
Other Supplies and Materials	504	
Total Alternative Instruction Program		59,455
Special Education Program		
Teachers	$ 915,979	
Career Ladder Program	5,985	
Homebound Teachers	9,925	
Educational Assistants	376,275	
Speech Pathologist	117,746	
Bonus Payments	39,925	
Other Salaries and Wages	29,738	
Non-certified Substitute Teachers	113,248	
Social Security	90,132	
Pensions	151,501	
Life Insurance	634	

(Continued)

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Special Education Program (Cont.)				
Medical Insurance	$	237,208		
Unemployment Compensation		1,045		
Employer Medicare		21,457		
Contracts with Private Agencies		141,540		
Other Contracted Services		14,138		
Instructional Supplies and Materials		15,692		
Other Supplies and Materials		14,925		
Other Charges		2,341		
Special Education Equipment		56,861		
Total Special Education Program			$	2,356,295
Career and Technical Education Program				
Teachers	$	754,306		
Career Ladder Program		2,000		
Other Salaries and Wages		34,594		
Non-certified Substitute Teachers		6,208		
Social Security		46,694		
Pensions		80,715		
Life Insurance		461		
Medical Insurance		144,072		
Unemployment Compensation		560		
Employer Medicare		10,920		
Instructional Supplies and Materials		9,791		
T&I Construction Materials		6,002		
Vocational Instruction Equipment		10,352		
Total Career and Technical Education Program				1,106,675
Student Body Education Program				
Instructional Supplies and Materials	$	31,630		
Total Student Body Education Program				31,630
Adult Education Program				
Teachers	$	46,335		
Other Salaries and Wages		43,410		
Social Security		5,134		
Pensions		8,995		
Life Insurance		29		
Medical Insurance		13,025		
Unemployment Compensation		70		
Employer Medicare		1,201		
Total Adult Education Program				118,199
Support Services				
Attendance				
Supervisor/Director	$	6,727		
Social Security		430		

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Attendance (Cont.)		
Pensions	$ 712	
Life Insurance	14	
Unemployment Compensation	35	
Employer Medicare	101	
Total Attendance		$ 8,019
Health Services		
Supervisor/Director	$ 50,969	
Medical Personnel	286,594	
Other Salaries and Wages	22,568	
Social Security	20,476	
Pensions	35,082	
Life Insurance	230	
Medical Insurance	77,132	
Unemployment Compensation	295	
Employer Medicare	4,789	
Travel	639	
Drugs and Medical Supplies	3,849	
Other Supplies and Materials	15,017	
Other Charges	132	
Total Health Services		517,772
Other Student Support		
Career Ladder Program	$ 2,000	
Guidance Personnel	302,472	
School Resource Officer	27,520	
Social Security	17,060	
Pensions	29,650	
Life Insurance	202	
Medical Insurance	68,091	
Unemployment Compensation	210	
Employer Medicare	3,990	
Contracts with Government Agencies	93,180	
Evaluation and Testing	11,682	
Travel	51	
Other Supplies and Materials	1,844	
In Service/Staff Development	1,150	
Total Other Student Support		559,102
Regular Instruction Program		
Supervisor/Director	$ 207,242	
Career Ladder Program	2,000	
Librarians	257,160	
Other Salaries and Wages	52,745	
Social Security	31,300	
Pensions	52,985	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program (Cont.)		
Life Insurance	$ 202	
Medical Insurance	42,888	
Unemployment Compensation	350	
Employer Medicare	7,292	
Communication	1,639	
Travel	2,346	
Instructional Supplies and Materials	8,566	
Library Books/Media	1,141	
In Service/Staff Development	8,724	
Total Regular Instruction Program		$ 676,580
Special Education Program		
Supervisor/Director	$ 74,736	
Career Ladder Program	1,000	
Clerical Personnel	21,993	
Other Salaries and Wages	65,458	
Social Security	9,907	
Pensions	16,647	
Life Insurance	58	
Medical Insurance	9,012	
Unemployment Compensation	75	
Employer Medicare	2,317	
Communication	4,632	
Contracts with Private Agencies	42,450	
Operating Lease Payments	3,490	
Maintenance and Repair Services - Equipment	809	
Postal Charges	3,049	
Travel	6,117	
In Service/Staff Development	9,896	
Other Charges	1,299	
Total Special Education Program		272,945
Career and Technical Education Program		
Supervisor/Director	$ 23,000	
Career Ladder Program	1,000	
Clerical Personnel	20,493	
Social Security	2,770	
Pensions	4,611	
Life Insurance	10	
Medical Insurance	2,879	
Unemployment Compensation	35	
Employer Medicare	648	
Travel	2,764	
In Service/Staff Development	500	
Total Career and Technical Education Program		58,710

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Technology		
Supervisor/Director	$ 58,951	
Other Salaries and Wages	142,925	
Social Security	12,040	
Pensions	19,629	
Medical Insurance	6,729	
Unemployment Compensation	140	
Employer Medicare	2,827	
Maintenance and Repair Services - Equipment	9,940	
Other Contracted Services	312	
In Service/Staff Development	612	
Other Equipment	12,396	
Total Technology		$ 266,501
Other Programs		
On-behalf Payments to OPEB	$ 120,380	
Total Other Programs		120,380
Board of Education		
Other Salaries and Wages	$ 24,476	
Board and Committee Members Fees	37,375	
Social Security	3,312	
Pensions	5,213	
Employer Medicare	897	
Audit Services	11,850	
Dues and Memberships	18,443	
Legal Services	15,868	
Travel	728	
Liability Insurance	104,716	
Premiums on Corporate Surety Bonds	2,956	
Trustee's Commission	97,125	
Workers' Compensation Insurance	122,019	
Other Charges	1,274	
Total Board of Education		446,252
Director of Schools		
County Official/Administrative Officer	$ 97,522	
Career Ladder Program	1,000	
Secretary(ies)	22,932	
Overtime Pay	9,766	
Other Salaries and Wages	54,985	
Social Security	10,385	
Pensions	17,045	
Life Insurance	29	
Medical Insurance	7,776	
Unemployment Compensation	105	
Employer Medicare	2,649	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Director of Schools (Cont.)		
Communication	$ 18,492	
Dues and Memberships	2,022	
Postal Charges	2,181	
Travel	37	
Other Contracted Services	9,701	
Office Supplies	7,236	
In Service/Staff Development	3,446	
Other Charges	1,674	
Total Director of Schools		$ 268,983
Office of the Principal		
Principals	$ 492,213	
Career Ladder Program	4,000	
Assistant Principals	398,822	
Secretary(ies)	191,834	
Social Security	63,489	
Pensions	110,712	
Life Insurance	396	
Medical Insurance	174,248	
Unemployment Compensation	735	
Employer Medicare	14,848	
Communication	23,115	
Other Contracted Services	45,833	
Other Charges	134,747	
Total Office of the Principal		1,654,992
Operation of Plant		
Custodial Personnel	$ 401,060	
Overtime Pay	5,000	
Other Salaries and Wages	22,828	
Social Security	22,905	
Pensions	38,481	
Unemployment Compensation	805	
Employer Medicare	5,716	
Other Contracted Services	4,600	
Custodial Supplies	57,821	
Electricity	768,514	
Natural Gas	20,180	
Water and Sewer	50,551	
Other Supplies and Materials	22,381	
Building and Contents Insurance	92,650	
Total Operation of Plant		1,513,492
Maintenance of Plant		
Supervisor/Director	$ 122,225	
Other Salaries and Wages	327,190	

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Maintenance of Plant (Cont.)				
Social Security	$	23,918		
Pensions		39,538		
Life Insurance		41		
Medical Insurance		19,414		
Unemployment Compensation		350		
Employer Medicare		5,633		
Maintenance and Repair Services - Buildings		190,459		
Other Supplies and Materials		4,472		
Other Charges		56,302		
Total Maintenance of Plant			$	789,542
Transportation				
Bus Drivers	$	191,367		
Other Salaries and Wages		29,609		
Social Security		12,414		
Pensions		18,692		
Unemployment Compensation		200		
Employer Medicare		2,896		
Contracts with Parents		24,243		
Contracts with Vehicle Owners		809,541		
Maintenance and Repair Services - Vehicles		68,005		
Medical and Dental Services		5,494		
Travel		431		
Diesel Fuel		47,094		
Gasoline		18,102		
Lubricants		4,496		
Tires and Tubes		6,253		
Vehicle and Equipment Insurance		31,211		
Transportation Equipment		317,422		
Total Transportation				1,587,470
COVID-19 Expenditures				
Other Supplies and Materials	$	189,723		
Total COVID-19 Expenditures				189,723
Operation of Non-Instructional Services				
Food Service				
Cafeteria Personnel	$	4,826		
Social Security		299		
Pensions		471		
Employer Medicare		70		
Total Food Service				5,666
Community Services				
Other Salaries and Wages	$	25,386		
Social Security		1,422		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Community Services (Cont.)			
Pensions	$ 2,471		
Employer Medicare	332		
Total Community Services		$ 29,611	
Early Childhood Education			
Teachers	$ 207,744		
Educational Assistants	75,924		
Bonus Payments	8,075		
Non-certified Substitute Teachers	13,820		
Social Security	18,084		
Pensions	30,074		
Life Insurance	115		
Medical Insurance	38,382		
Employer Medicare	4,229		
Travel	62		
Food Supplies	74		
Instructional Supplies and Materials	11,812		
Other Supplies and Materials	2,500		
In Service/Staff Development	770		
Other Charges	11,226		
Total Early Childhood Education		422,891	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 49,888		
Building Improvements	119,327		
Land	325,000		
Other Capital Outlay	86,723		
Total Regular Capital Outlay		580,938	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 823,072		
Total Education		823,072	
Total General Purpose School Fund			$ 28,027,130
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 365,080		
Educational Assistants	369,753		
Bonus Payments	19,800		
Other Salaries and Wages	1,359,670		
Non-certified Substitute Teachers	7,898		
Social Security	122,541		

(Continued)

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Regular Instruction Program (Cont.)				
Pensions	$	198,612		
Life Insurance		230		
Medical Insurance		70,156		
Unemployment Compensation		624		
Employer Medicare		28,742		
Tuition		23,641		
Instructional Supplies and Materials		132,444		
Other Supplies and Materials		143,229		
Regular Instruction Equipment		577,197		
Total Regular Instruction Program			$	3,419,617
Special Education Program				
Homebound Teachers	$	4,000		
Educational Assistants		267,916		
Speech Pathologist		55,119		
Bonus Payments		2,200		
Non-certified Substitute Teachers		12,268		
Social Security		19,559		
Pensions		32,286		
Life Insurance		29		
Medical Insurance		7,641		
Unemployment Compensation		325		
Employer Medicare		4,574		
Contracts with Private Agencies		36,086		
Instructional Supplies and Materials		31,628		
Other Supplies and Materials		5,075		
Special Education Equipment		7,000		
Total Special Education Program				485,706
Career and Technical Education Program				
Other Salaries and Wages	$	30,044		
Social Security		1,863		
Pensions		3,097		
Employer Medicare		436		
Instructional Supplies and Materials		14,195		
Other Supplies and Materials		11,300		
Vocational Instruction Equipment		43,506		
Total Career and Technical Education Program				104,441
Support Services				
Health Services				
Other Supplies and Materials	$	3,692		
Total Health Services				3,692
Other Student Support				
Postal Charges	$	900		

(Continued)

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
Travel	$ 40	
In Service/Staff Development	3,452	
Total Other Student Support		$ 4,392
Regular Instruction Program		
Supervisor/Director	$ 83,313	
Clerical Personnel	28,895	
Bonus Payments	1,650	
Other Salaries and Wages	46,494	
Social Security	9,056	
Pensions	14,936	
Life Insurance	29	
Medical Insurance	7,641	
Unemployment Compensation	75	
Employer Medicare	2,321	
Library Books/Media	8,628	
Other Supplies and Materials	9,953	
Total Regular Instruction Program		212,991
Special Education Program		
In-service Training	$ 17,649	
Social Security	1,094	
Pensions	1,723	
Unemployment Compensation	25	
Employer Medicare	256	
Contracts with Private Agencies	220,370	
Travel	1,911	
In Service/Staff Development	29,726	
Total Special Education Program		272,754
Technology		
Internet Connectivity	$ 10,449	
Total Technology		10,449
Operation of Plant		
Custodial Supplies	$ 16,046	
Other Supplies and Materials	49,196	
Plant Operation Equipment	2,594	
Total Operation of Plant		67,836
Transportation		
Bus Drivers	$ 68,722	
Other Salaries and Wages	7,852	
Social Security	4,024	
Pensions	6,459	
Employer Medicare	1,100	
Total Transportation		88,157

(Continued)

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

School Federal Projects Fund (Cont.)			
Capital Outlay			
Regular Capital Outlay			
Other Capital Outlay	$ 9,888		
Total Regular Capital Outlay		$ 9,888	
Total School Federal Projects Fund			$ 4,679,923
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 42,520		
Clerical Personnel	3,901		
Cafeteria Personnel	661,547		
Bonus Payments	26,480		
Other Salaries and Wages	5,836		
Social Security	41,499		
Pensions	70,329		
Medical Insurance	66,480		
Employer Medicare	9,705		
Communication	4,803		
Maintenance and Repair Services - Equipment	45,744		
Travel	605		
Other Contracted Services	18,579		
Food Preparation Supplies	43,586		
Food Supplies	678,945		
USDA - Commodities	143,730		
In Service/Staff Development	655		
Other Charges	21,339		
Food Service Equipment	4,798		
Total Food Service		$ 1,891,081	
Total Central Cafeteria Fund			1,891,081
Internal School Fund			
Operation of Non-Instructional Services			
Community Services			
Other Charges	$ 1,125,539		
Total Community Services		$ 1,125,539	
Total Internal School Fund			1,125,539
Total Governmental Funds - Grainger County School Department			$ 35,723,673

Grainger County, Tennessee
Schedule of Detailed Additions, Deductions, and Changes,
in Net Position - City Custodial Fund
For the Year Ended June 30, 2021

	Cities - Sales Tax Fund
Additions	
Local Option Sales Tax	$ 1,208,673
Total Cash Receipts	$ 1,208,673
Deductions	
Remittance of Revenues Collected	$ 1,196,586
Trustee's Commission	12,087
Total Cash Disbursements	$ 1,208,673
Excess of Additions Over (Under) Deductions	$ 0
Net Position, July 1, 2020	0
Net Position, June 30, 2021	$ 0

Single Audit Section

Jason E. Mumpower
Comptroller

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

Independent Auditor's Report

Grainger County Mayor and
Board of County Commissioners
Grainger 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 Grainger County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Grainger County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 16, 2022. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Grainger County School Department, as described in our report on Grainger County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grainger County's internal control over financial reporting (internal control) to determine the 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 Grainger County's internal control. Accordingly, we do not express an opinion on the effectiveness of Grainger County's internal control.

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2021-001 and 2021-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grainger County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2021-003, 2021-004, and 2021-005.

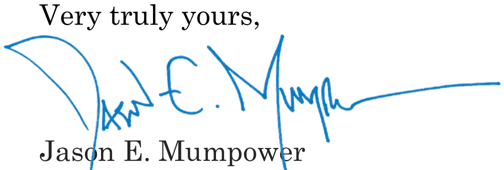
Grainger County's Responses to the Findings

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 16, 2022

JEM/tg

Tennessee Comptroller of the Treasury

Jason E. Mumpower
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Grainger 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 Grainger County's major federal programs for the year ended June 30, 2021. Grainger 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 Grainger 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 Grainger 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 Grainger County's compliance.

Opinion on Each Major Federal Program

In our opinion, Grainger 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, 2021.

Report on Internal Control Over Compliance

Management of Grainger 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 Grainger 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 Grainger 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 Grainger County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Grainger County's basic financial statements. We issued our report thereon dated February 16, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 16, 2022

JEM/tg

Grainger County, Tennessee, and the Grainger County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8)
For the Year-Ended June 30, 2021

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Direct Program:				
Community Facilities Loans and Grants Cluster: (5)				
Community Facilities Loans and Grants	10.766	N/A	$ 0	$ 110,000
Emergency Watershed Protection Program	10.923	N/A	0	21,645
Passed-through State Department of Education:				
Child Nutrition Cluster: (5)				
School Breakfast Program	10.553	N/A	0	614,406
National School Lunch Program	10.555	N/A	0	1,132,945 (4)
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (5)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	143,730 (4)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-21-66511	0	8,165
Total U.S. Department of Agriculture				$ 2,030,891
U.S. Department of Justice:				
Direct Program:				
Bulletproof Vest Partnership Program	16.607	N/A	0	$ 1,020
Passed-through State Department of Finance and Administration:				
COVID 19 - Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0393	0	15,263
Passed-through State Department of Justice:				
Crime Victim Assistance	16.575	(3)	0	42,737
Total U.S. Department of Justice				$ 59,020
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Alcohol Open Container Requirements	20.607	Z-21-THS111	0	$ 9,110
Total U.S. Department of Transportation				$ 9,110
U.S. Department of the Treasury:				
Passed-through State Department of Finance and Administration:				
COVID 19 - Coronavirus Relief Fund	21.019	N/A	0	$ 347,175 (4)
Passed-through State Department of Education:				
COVID 19 - Coronavirus Relief Fund	21.019	N/A	0	144,835 (4)
Total U.S. Department of Treasury				$ 492,010
U.S. Department of Education:				
Passed-through State Department of Human Services:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(3)	0	$ 77,723
Passed-through State Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	N/A	39,532	951,251 (6)
Special Education Cluster: (5)				
Special Education - Grants to States	84.027	N/A	0	828,312
Special Education - Preschool Grants	84.173	N/A	0	36,214
Career and Technical Education - Basic Grants to States	84.048	N/A	0	107,934
Rural Education	84.358	N/A	0	103,852
English Language Acquisition State Grants	84.365	N/A	0	151
Improving Teacher Quality State Grants	84.367	N/A	0	208,963
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	0	686,355 (4)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	0	1,774,803 (4)
Total U.S. Department of Education				$ 4,775,558
U.S. Election Assistance Commission:				
Passed-through Tennessee Secretary of State:				
COVID 19 - 2020 HAVA Election Security Grants	90.404	(3)	0	$ 12,287
Total U.S. Election Assistance Commission				$ 12,287
U.S. Department of Health and Human Services:				
Passed-through East Tennessee Human Resource Agency:				
Aging Cluster: (5)				
Special Program for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	220-112	0	$ 25,041 (4)
COVID 19 - Special Program for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	221-135	0	6,041 (4)

(Continued)

Grainger County, Tennessee, and the Grainger County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Health and Human Services: (Cont.)				
Passed-through State Department of Health:				
Family Planning Services	93.217	GG-21-66511	$ 0	$ 1,696
Medicaid Cluster: (5)				
Medical Assistance Program	93.778	GG-21-66511	0	1,095
Maternal and Child Health Services Block Grants to States	93.994	GG-21-66511	0	1,691
Passed-through State Department of Education:				
477 Cluster: (5)				
Temporary Assistance for Needy Families	93.558	N/A	0	132,521
Total U.S. Department of Health and Human Services				$ 168,085
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Disaster Grants - Public Assistance	97.036	(3)	0	$ 48,846
Homeland Security Grant Program	97.067	(3)	0	7,000
Total U.S. Department of Homeland Security				$ 55,846
Total Expenditures of Federal Grants				$ 7,602,807

State Grants		Contract Number		
Health Department Programs - State Department of Health	N/A	GG-21-66511		$ 60,939
Litter Program - State Department of Transportation	N/A	(3)		1,387
State Aid Program - State Department of Transportation	N/A	(3)		182,504
Bridge Program - State Department of Transportation	N/A	(3)		358,535
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)		7,500
Juvenile Service Program - State Commission on Children and Youth	N/A	(3)		9,000
Special Programs for the Aging - East Tennessee Human Resource Agency	N/A	(3)		6,816
Driver Education - State Department of Education	N/A	(3)		7,976
Family Resource Center - State Department of Education	N/A	(3)		29,612
Early Childhood Education Pilot Project - State Department of Education	N/A	(3)		422,892
Safe Schools Act Grant - State Department of Education	N/A	(3)		83,630
Coordinated School Health - State Department of Education	N/A	(3)		100,000
School Resource Officer Program - State Department of Education	N/A	(3)		9,924
Healthy Students Stronger Learners TN - State Department of Education	N/A	(3)		13,619
Summer Learning Camps - State Department of Education	N/A	(3)		260,959
Library Technology Grant - State Library and Archives	N/A	(3)		7,371
Tourism Enhancement Grant - State Department of Tourist Development	N/A	32601-19009		16,793
State Direct Appropriation Grant FY 2020 - State Department of Finance and Administration	N/A	(3)		852,082
Local Park and Recreation Fund - State Department of Environment and Conservation	N/A	32701-04161		28,800
Total State Grants				$ 2,460,339

FAL = Federal Assistance Listings
N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Grainger County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) Information not available.
(4) FAL No. Totals: FAL No. 10.555, $1,276,675; FAL No. 21.019, $492,010; FAL No. 84.425D, $2,461,158; FAL No. 93.044, $31,082.
(5) Community Facilities Loans and Grants Cluster total $110,000; Child Nutrition Cluster total $1,891,081; Special Education Cluster total $864,526; Aging Cluster total $31,082; Medicaid Cluster total $1,095; and 477 Cluster total $132,521.

(6) SUBRECIPIENTS

Program Title	Federal Assistance Listings Number	Amount Provided to Subrecipient	Subrecipient
Title 1 Grants to Local Educational Agencies	84.010	$ 39,532	Kingswood School
		$ 39,532	

(7) CONSOLIDATED ADMINISTRATION
The following amounts were consolidated for administration purposes:

Program Title	Federal Assistance Listings Number	Amount Provided to Consolidated Administration
Title 1 Grants to Local Educational Agencies	84.010	$ 143,806
Rural Education	84.358	1,237
English Language Acquisition Grants	84.365	151
Improving Teacher Quality State Grants	84.367	2,185
Total amounts consolidated for administration purposes		$ 147,379

(8) For the year ended June 30, 2021, Grainger County received donated PPE valued at $290,500 ($217,875 federal and $72,625 state) from the Tennessee Department of Military. These donations were unaudited.

Grainger County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2021

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 Grainger County, Tennessee, for the year ended June 30, 2021.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
OFFICE OF COUNTY MAYOR					
2020	190	2020-001	The Solid Waste/Sanitation Fund had deficit in unassigned fund balance at June 30, 2020.	N/A	Corrected

Prior-year Federal Awards Findings

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

GRAINGER COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Grainger County is unmodified.

2. Internal Control Over Financial Reporting:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Programs:

   * Assistance Listing Number: 84.010 — Title I Grants to Local Education Agencies

   * Assistance Listing Number: 84.425D — COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I and ESSER II)

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 2021-001 **THE SPORTS AND RECREATION FUND HAD A FUND DEFICIT ON JUNE 30, 2021**
(Internal Control – Significant Deficiency Under *Government Auditing Standards)*

A fund deficit of $69,617 existed in the Sports and Recreation Fund on June 30, 2021. This deficit resulted from the recognition of a liability of $140,856 associated with a ballfield construction contract. The contractor and the county are currently in litigation to determine responsibility for the unfinished project and unpaid construction costs. The recognition of the liability resulted in expenditures exceeding available funds.

RECOMMENDATION

Officials should develop a plan to liquidate the fund deficit in the Sports and Recreation Fund.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with the finding. The contractor did submit payment applications totaling $140,856 after the county declared a contractor's default on the ballfield construction contract. We are in the process of completing a grant replacement contract for the remaining funds held by the state on the ballfield construction project. Once the contract is executed and remaining funds are released, the fund deficit will be corrected. This project is currently in litigation.

FINDING 2021-002 **PAYROLL TAXES WERE OVERPAID TO THE INTERNAL REVENUE SERVICE**
(Internal Control – Significant Deficiency Under *Government Auditing Standard*)

The county received a refund of $47,037 from the Internal Revenue Service (IRS) in July 2021. This refund was for an overpayment of payroll taxes for June 2019, along with interest. The mayor's office was not aware that an overpayment of payroll taxes existed until the refund check was received. The mayor's office attempted to get clarification from the IRS but was not provided any additional information. This overpayment is reflected as a receivable in the financial statements of the General Fund and is included in the unassigned fund equity. This deficiency resulted from management not correctly reporting and paying amounts due to the IRS.

RECOMMENDATION

Internal controls should be in place to ensure payroll taxes are reported and paid properly.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding in reference to receiving a refund check from the IRS in the amount of $47,037 stating "overpayment of payroll taxes". However, office records indicate there was no overpayment, and it appeared to be a quarterly timing issue between the bank deposit and the actual payment transaction by the bank. The office ledgers balanced at year end, and the office would have no reason to expect an overpayment. The mayor's office received the IRS check on July 15, 2021, and made an inquiry to the IRS on August 10, 2021, as to the over-payment. As of January 12, 2022, the IRS continues to research the issue.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2021-003 **TERMINATION BENEFITS AND COMPENSATED ABSENCES RECORDS FOR THE YEAR ENDED JUNE 30, 2021, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2021**
(Noncompliance Under *Government Auditing Standards*)

Compensated absences and termination benefits records, were not closed and available for audit by August 31, 2021, as required by Section 9-2-102, *Tennessee Code Annotated*. The termination benefits and compensated absences records were made available to auditors on January 26, 2022. This deficiency can be attributed to a lack of management oversight. The failure to properly maintain and close subsidiary records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely.

RECOMMENDATION

Management should close its accounting records for the fiscal year ended June 30, including the termination benefits and compensated absences records, and have those records available for audit by the following August 31 as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Even though accounting records for termination benefits and compensated absences records were not reported to the auditor by August 31st, they are maintained in the central office and are available for audit review upon request. Those records are used in the calculations of retirement compensation paid to retirees as stated in the guidelines for each benefit.

We acknowledge the audit finding. We realize the guidelines on retirement benefits have changed in recent years. As a result of these changes, additional reporting is required. In the future, we will strive to have the records in a uniform format and ready for the auditor by August 31st.

OFFICE OF SHERIFF

FINDING 2021-004 **THE SHERIFF'S OFFICE DID NOT FILE STATE PRISONER BOARD BILLS FOR REIMBURSEMENT TIMELY**
(Noncompliance Under *Government Audit Standards*)

During our examination of various accounts, we noted reimbursement revenues for housing state inmates had not been received since March 2021. Grainger County houses state inmates as provided by Section 41-8-106, *Tennessee Code Annotated.* The county is required to file a prisoner board bill monthly with the state to receive reimbursement. The sheriff's department had not filed all prisoner board bills timely, which resulted in a delay in the receipt of revenue to the county. Our examination revealed that as many as nine months elapsed before some prisoner board bills were filed. The prisoner board bills for February 2021 through June 2021 were not filed until November and December 2021. Amounts for these five prisoner board bills totaled $99,333 and have been recognized as a receivable in the General Fund but have been deferred and are not reflected as revenues in the fund financial statements since they were not available to meet current obligations. Additionally, the prisoner board bill for July 2021 was filed January 2022, and the prisoner board bills for August 2021 through December 2021 have not been filed with the state as of January 13, 2022. The failure to file claims with the state for reimbursement of housing state inmates could result in a lengthy delay of revenue to the county. This deficiency is due to a lack of management oversight.

RECOMMENDATION

Claims for reimbursement of state prisoner board bills should be filed with the state monthly.

MANAGEMENT'S RESPONSE – SHERIFF

We concur with the finding. The board bills in question did not result in less than budgeted revenues in 2020-2021. In the fiscal year 2020-2021, the sheriff's department met and exceeded the estimated revenue received for prisoner board bills. Currently the sheriff's department has a corrective action plan in place to file reports once they are received from the state.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2021-005 **THE OFFICE HAD DEFICIENCIES IN FILING ITS ANNUAL FINANCIAL REPORT**
(Noncompliance Under *Government Auditing Standards)*

The office prepared an annual financial report; however, the report was not filed with the county mayor and the county clerk. Section 5-8-505, *Tennessee Code Annotated*, states, "All appointive or elective county public officials, official county boards, committees and commissions in the state having in their charge and custody public funds or moneys are required to file with the county mayor and with the county clerk, … an annual financial report…" This deficiency is the result of a lack of management oversight.

RECOMMENDATION

The annual financial report should be filed with the county clerk and county mayor as required by state statute.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

I concur with the finding in my office for the deficiencies in filing the annual financial report. Corrective action has been taken to correct the deficiencies in the filing the annual financial report.

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, 2021.

Grainger County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2021

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

County Mayor
Mike Byrd
8095 Rutledge Pike, Suite 100
P.O. Box 126
Rutledge, TN. 37861

Corrective Action Plan

FINDING: **THE SPORTS AND RECREATION FUND HAD A FUND DEFICIT AT JUNE 30, 2021**

Response and Corrective Action Plan Prepared by:
Stacie Defrees, Director – Grainger County Parks & Recreation

Person Responsible for Implementing the Corrective Action:
Stacie Defrees, Director – Grainger County Parks & Recreation

Anticipated Completion Date of Corrective Action:
7/1/21 – 6/30/22

Repeat Finding:
No

Planned Corrective Action:

We are in the process of completing a grant replacement contract for the remaining funds held by State on the ballfield construction project. Once the contract is executed and remaining funds are released, the fund deficit will be corrected.

Signature: ______________________

Grainger County
TENNESSEE
Est 1796

County Mayor
Mike Byrd
8095 Rutledge Pike, Suite 100
P.O. Box 126
Rutledge, TN. 37861

Corrective Action Plan

FINDING: PAYROLL TAXES WERE OVERPAID TO THE INTERNAL REVENUE SERVICE

Response and Corrective Action Plan Prepared by:
David M. Byrd, County Mayor

Person Responsible for Implementing the Corrective Action:
David M. Byrd, County Mayor

Anticipated Completion Date of Corrective Action:
Date 2.3.22

Repeat Finding:
No

Planned Corrective Action:

The Mayor's office will establish controls to reconcile 941's, deposits, and bank payments annually.

Signature: David M Byrd

Department of Education
Grainger County
P.O. Box 38
7850 Rutledge Pike
Rutledge, Tennessee 37861
Phone 865/828-3611 Fax 865/828-4357
Dr. James Atkins, Director

Corrective Action Plan

FINDING: **TERMINATION BENEFITS AND COMPENSATED ABSENCES RECORDS FOR THE YEAR ENDED JUNE 30, 2021, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2021**

Response and Corrective Action Plan Prepared by:

Dr. James Atkins, Director of Schools

Person Responsible for Implementing the Corrective Action:

Dr. James Atkins, Director of Schools

Anticipated Completion Date of Corrective Action:
We will have the Corrective Action completed as soon as possible.

Repeat Finding:
No

Planned Corrective Action:

We acknowledge the audit finding. We realize the guidelines for retirement benefits have changed in recent years. As a result of these changes, additional reporting is required. In the future, we will strive to have the records in a uniform format and ready for the auditor by August 31.

Signature: James Atkins

Teach. Learn. Succeed.
Grainger County Schools prohibit discrimination in all its programs and activities on the basis of race, color, national origin, sex, disability, or age

GRAINGER COUNTY SHERIFF'S DEPARTMENT

JAMES HARVILLE, SHERIFF
270 JUSTICE CENTER DRIVE – SUITE 105
P.O. BOX 5
RUTLEDGE, TENNESSEE 37861

Corrective Action Plan

FINDING: **THE SHIERFF'S OFFICE DID NOT FILE STATE PRISONER BOARD BILLS FOR REIMBURSEMENT IN A TIMELY MANNER**

Response and Corrective Action Plan Prepared by:
James Harville, Sheriff

Person Responsible for Implementing the Corrective Action:
James Harville, Sheriff

Anticipated Completion Date of Corrective Action:
Date: 1/28/2022

Repeat Finding:
No

Planned Corrective Action:

We concur with this finding and our planned corrective action is to process and submit the State Prisoner Board Bills for reimbursement within a timely manner.

Signature: James Harville

SHERRY CLIFTON
Grainger County
Circuit, Sessions, & Juvenile Court Clerk
P.O. Box 157
Rutledge,Tn 37861
Phone: (865) 828-3608
Fax: (865) 828-3339

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN FILING ITS ANNUAL FINANCIAL REPORT
(Noncompliance Under *Government Auditing Standards)*

Response and Corrective Action Plan Prepared by:
Sherry Clifton

Person Responsible for Implementing the Corrective Action:
Sherry Clifton

Anticipated Completion Date of Corrective Action:
June 30, 2022

Repeat Finding:
No

Planned Corrective Action:
I will file the Annual Financial Report with the County Mayor and the County Clerk.

Signature: Sherry Clifton

CLERK OF THE CIRCUIT & GENERAL SESSIONS COURT GRAINGER COUNTY, TN

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 Grainger County.

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

Grainger 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 Grainger 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.