



ANNUAL FINANCIAL REPORT

Hardeman County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HARDEMAN 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

LEE ANN WEST, CPA, CGFM
Audit Manager

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

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The office had deficiencies in purchasing procedures.
- ◆ Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.
- ◆ The office had deficiencies in budget operations.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.

OFFICE OF TRUSTEE

- ◆ The office had accounting deficiencies.
 - ◆ The office did not review its software audit logs.
-

OFFICE OF SHERIFF

- ◆ The office did not deposit some funds within three days of collection.
-

OFFICES OF COUNTY MAYOR, TRUSTEE, AND SHERIFF

- ◆ Duties were not segregated adequately.



INTRODUCTORY SECTION

Hardeman County Officials

June 30, 2021

Officials

Jimmy Sain, County Mayor
Casey Swift, Highway Superintendent
Warner Ross, Director of Schools
Mary Powell, Trustee
Josh Pulse, Assessor of Property
Jerry Armstrong, County Clerk
Billy Davis, Circuit, General Sessions, and Juvenile Courts Clerk
Janice Bodiford, Clerk and Master
Lily Barnes, Register of Deeds
John Doolen, Sheriff

Board of County Commissioners

Jimmy Sain, County Mayor, Chairman	
Gary Barber	Corey Madden
Chris Bell	Viscen Morrow
Russell DeBerry	Jackie Sain
Mark Gilliam	Mac Vaughn
Bobby Hensley	John Vickers
Justin Howell	Johnny Weems
Chandra Lake	Elvis White
Johnny Lanier	Bobby Wright

Board of Highway Supervisors

John Mitchell, Chairman
Matthew Knight
Kenny Pulse

Board of Education

Bobby Henderson, Chairman	Jerry Crisp
Kenny Adkins	Terry King
Jennifer Aylor	Richard Nelms
Beverly Bodiford	Gene Ross
Patricia Carter	

Audit Committee

Viscen Morrow, Chairman	John Vickers
Chandra Lake	Jerry Watkins
Johnny Lanier	

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman 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 Hardeman County School Department (a discretely presented component unit), which represent 3.3 percent, 4.3 percent, and 2.7 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Hardeman County School Department 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.

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

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

Opinions

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

Change in Accounting Principle

As described in Note V.B., Hardeman 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 \$1,565,932 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Hardeman County School Department's net position totaling \$1,242,655 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 asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedule of school changes in the total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hardeman 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 Hardeman 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 Hardeman 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 Hardeman 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 November 24, 2021, on our consideration of Hardeman 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 Hardeman 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 Hardeman County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 24, 2021

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Hardeman County School Department
<u>ASSETS</u>				
Cash	\$ 85,629	\$ 340	\$ 85,969	\$ 1,207,434
Equity in Pooled Cash and Investments	9,630,780	3,834,711	13,465,491	7,917,795
Inventory	0	0	0	832
Accounts Receivable	1,279,484	17,215	1,296,699	12,982
Allowance for Uncollectibles	(640,561)	(11,189)	(651,750)	0
Due from Other Governments	709,838	0	709,838	2,306,464
Prepaid Items	0	0	0	2,685
Property Taxes Receivable	4,449,140	0	4,449,140	5,959,398
Allowance for Uncollectible Property Taxes	(147,850)	0	(147,850)	(198,036)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	203,147
Cash Shortage	0	1,890	1,890	0
Net Pension Asset - Agent Plan	213,527	11,161	224,688	160,184
Net Pension Asset - Teacher Retirement Plan	0	0	0	131,065
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	3,130,159
Capital Assets:				
Assets Not Depreciated:				
Land	1,757,650	219,838	1,977,488	358,116
Construction in Progress	34,000	0	34,000	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	12,050,128	1,001,971	13,052,099	13,104,297
Infrastructure	11,935,191	0	11,935,191	0
Other Capital Assets	3,291,206	337,755	3,628,961	1,942,390
Total Assets	\$ 44,648,162	\$ 5,413,692	\$ 50,061,854	\$ 36,238,912
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding	\$ 662,755	\$ 0	\$ 662,755	\$ 0
Pension Changes in Experience	150,741	7,884	158,625	236,951
Pension Changes in Investment Earnings	145,932	7,632	153,564	819,244
Pension Changes in Assumptions	142,402	7,447	149,849	395,300
Pension Changes in Proportion	0	0	0	87,888
Pension Contributions After Measurement Date	531,648	29,072	560,720	1,809,934
OPEB Changes in Experience	0	0	0	42,080
OPEB Changes in Assumptions	0	0	0	378,010
OPEB Changes in Proportion	0	0	0	94,488
OPEB Contributions After Measurement Date	0	0	0	142,576
Total Deferred Outflows of Resources	\$ 1,633,478	\$ 52,035	\$ 1,685,513	\$ 4,006,471
<u>LIABILITIES</u>				
Accounts Payable	\$ 124,618	\$ 40,148	\$ 164,766	\$ 53,405
Accrued Payroll	0	0	0	651,018
Payroll Deductions Payable	6,311	171	6,482	25,561
Due to State of Tennessee	54	111	165	0
Accrued Interest Payable	65,460	0	65,460	0
Noncurrent Liabilities:				
Due Within One Year - Debt	1,110,573	0	1,110,573	0
Due Within One Year - Other	147,265	8,849	156,114	41,762
Due in More Than One Year - Debt	18,832,274	0	18,832,274	0
Due in More Than One Year - Other	0	2,961,863	2,961,863	3,571,118
Total Liabilities	\$ 20,286,555	\$ 3,011,142	\$ 23,297,697	\$ 4,342,864

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Hardeman County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,201,044	\$ 0	\$ 4,201,044	\$ 5,627,087
Pension Changes in Experience	403,258	21,090	424,348	1,840,294
Pension Changes in Proportion	0	0	0	31,291
OPEB Changes in Experience	0	0	0	329,541
OPEB Changes in Assumptions	0	0	0	283,461
OPEB Changes in Proportion	0	0	0	38,691
Total Deferred Inflows of Resources	\$ 4,604,302	\$ 21,090	\$ 4,625,392	\$ 8,150,365
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 12,201,244	\$ 1,559,564	\$ 13,760,808	\$ 15,404,803
Restricted for:				
General Government	37,022	0	37,022	0
Finance	32,659	0	32,659	0
Administration of Justice	236,416	0	236,416	0
Public Safety	600,476	0	600,476	0
Public Health and Welfare	55,827	0	55,827	0
Highways/Public Works	201,853	0	201,853	0
Debt Service	604,101	0	604,101	0
Education	0	0	0	2,114,184
Instruction	0	0	0	16,076
Operation of Non-instructional Services	0	0	0	602,293
Pensions	213,527	11,161	224,688	3,421,408
Hybrid Retirement Stabilization Funds	0	0	0	203,147
Unrestricted	7,207,658	862,770	8,070,428	5,990,243
Total Net Position	\$ 21,390,783	\$ 2,433,495	\$ 23,824,278	\$ 27,752,154

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

Exhibit B

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Hardeman County School Department
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Total Governmental Activities	Business- type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 2,753,917	\$ 149,054	\$ 1,742,053	\$ 311,282	\$ (551,528)	\$ 0	\$ (551,528)	\$ 0
Finance	935,513	715,603	4,273	0	(215,637)	0	(215,637)	0
Administration of Justice	1,218,246	723,409	65,746	0	(429,091)	0	(429,091)	0
Public Safety	4,676,713	494,945	41,255	50,854	(4,089,659)	0	(4,089,659)	0
Public Health and Welfare	1,813,385	298,754	122,396	0	(1,392,235)	0	(1,392,235)	0
Social, Cultural, and Recreational Services	101,314	0	0	0	(101,314)	0	(101,314)	0
Agriculture and Natural Resources	103,613	0	0	0	(103,613)	0	(103,613)	0
Highways/Public Works	4,297,806	20	3,021,257	539,495	(737,034)	0	(737,034)	0
Interest on Long-term Debt	571,894	0	25,093	0	(546,801)	0	(546,801)	0
Total Governmental Activities	\$ 16,472,401	\$ 2,381,785	\$ 5,022,073	\$ 901,631	\$ (8,166,912)	\$ 0	\$ (8,166,912)	\$ 0
Business-type Activities:								
Solid Waste Disposal	\$ 1,809,476	\$ 1,361,650	\$ 153,592	\$ 0	\$ 0	\$ (294,234)	\$ (294,234)	\$ 0
Total Business-type Activities	\$ 1,809,476	\$ 1,361,650	\$ 153,592	\$ 0	\$ 0	\$ (294,234)	\$ (294,234)	\$ 0
Total Primary Government	\$ 18,281,877	\$ 3,743,435	\$ 5,175,665	\$ 901,631	\$ (8,166,912)	\$ (294,234)	\$ (8,461,146)	\$ 0
Component Unit:								
Hardeman County	\$ 37,605,574	\$ 105,298	\$ 8,150,477	\$ 0	\$ 0	\$ 0	\$ 0	\$ (29,349,799)
School Department								
Total Component Unit	\$ 37,605,574	\$ 105,298	\$ 8,150,477	\$ 0	\$ 0	\$ 0	\$ 0	\$ (29,349,799)

(Continued)

Exhibit B

Hardeman County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Hardeman County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Total Governmental Activities	Business- type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,254,878	\$ 0	\$ 4,254,878	\$ 5,917,581
Property Taxes Levied for Debt Service					323,501	0	323,501	0
Local Option Sales Taxes					373,436	0	373,436	3,167,593
Wheel Tax					1,599,342	0	1,599,342	0
Litigation Tax					74,162	0	74,162	0
Business Tax					153,125	0	153,125	0
Wholesale Beer Tax					234,908	0	234,908	0
Other Local Taxes					36,406	0	36,406	3,996
Grants and Contributions Not Restricted for Specific Programs					2,065,390	0	2,065,390	23,335,162
Unrestricted Investment Income					39,848	7,026	46,874	0
Miscellaneous					31,886	33,994	65,880	108,503
Total General Revenues					\$ 9,186,882	\$ 41,020	\$ 9,227,902	\$ 32,532,835
Change in Net Position					\$ 1,019,970	\$ (253,214)	\$ 766,756	\$ 3,183,036
Net Position, July 1, 2020					20,370,813	2,686,709	23,057,522	23,326,463
Restatement - See Note I.D.9.					0	0	0	1,242,655
Net Position, June 30, 2021					\$ 21,390,783	\$ 2,433,495	\$ 23,824,278	\$ 27,752,154

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 85,629	\$ 85,629
Equity in Pooled Cash and Investments	6,075,390	2,616,094	814,745	124,551	9,630,780
Accounts Receivable	1,279,131	0	0	353	1,279,484
Allowance for Uncollectibles	(640,561)	0	0	0	(640,561)
Due from Other Governments	195,802	513,581	455	0	709,838
Due from Other Funds	5,678	0	0	0	5,678
Property Taxes Receivable	4,122,598	0	326,542	0	4,449,140
Allowance for Uncollectible Property Taxes	(136,998)	0	(10,852)	0	(147,850)
Total Assets	<u>\$ 10,901,040</u>	<u>\$ 3,129,675</u>	<u>\$ 1,130,890</u>	<u>\$ 210,533</u>	<u>\$ 15,372,138</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 124,618	\$ 0	\$ 0	\$ 0	\$ 124,618
Payroll Deductions Payable	5,783	528	0	0	6,311
Due to Other Funds	0	0	0	5,678	5,678
Due to State of Tennessee	54	0	0	0	54
Total Liabilities	<u>\$ 130,455</u>	<u>\$ 528</u>	<u>\$ 0</u>	<u>\$ 5,678</u>	<u>\$ 136,661</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,892,711	\$ 0	\$ 308,333	\$ 0	\$ 4,201,044
Deferred Delinquent Property Taxes	85,928	0	6,806	0	92,734
Other Deferred/Unavailable Revenue	568,896	260,366	0	0	829,262
Total Deferred Inflows of Resources	<u>\$ 4,547,535</u>	<u>\$ 260,366</u>	<u>\$ 315,139</u>	<u>\$ 0</u>	<u>\$ 5,123,040</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 31,412	\$ 0	\$ 0	\$ 0	\$ 31,412
Restricted for Finance	32,659	0	0	0	32,659
Restricted for Administration of Justice	236,416	0	0	0	236,416
Restricted for Public Safety	475,925	0	0	124,551	600,476
Restricted for Public Health and Welfare	55,827	0	0	0	55,827
Restricted for Other Operations	5,610	0	0	0	5,610
Committed:					
Committed for Finance	0	0	0	80,304	80,304
Committed for Public Health and Welfare	118	0	0	0	118
Committed for Highways/Public Works	0	2,868,781	0	0	2,868,781
Committed for Debt Service	0	0	815,751	0	815,751
Assigned:					
Assigned for General Government	700,000	0	0	0	700,000
Assigned for Public Safety	800	0	0	0	800
Unassigned	4,684,283	0	0	0	4,684,283
Total Fund Balances	<u>\$ 6,223,050</u>	<u>\$ 2,868,781</u>	<u>\$ 815,751</u>	<u>\$ 204,855</u>	<u>\$ 10,112,437</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,901,040</u>	<u>\$ 3,129,675</u>	<u>\$ 1,130,890</u>	<u>\$ 210,533</u>	<u>\$ 15,372,138</u>

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

Exhibit C-2

Hardeman 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)		\$ 10,112,437
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,757,650	
Add: construction in progress	34,000	
Add: buildings and improvements net of accumulated depreciation	12,050,128	
Add: infrastructure net of accumulated depreciation	11,935,191	
Add: other capital assets net of accumulated depreciation	<u>3,291,206</u>	29,068,175
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: note payable	\$ (496,236)	
Less: bonds payable	(19,190,000)	
Add: deferred amount on refunding	662,755	
Less: unamortized premium on debt	(256,611)	
Less: compensated absences payable	(147,265)	
Less: accrued interest payable	<u>(65,460)</u>	(19,492,817)
(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	\$ 970,723	
Less: deferred inflows of resources related to pensions	<u>(403,258)</u>	567,465
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		213,527
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>921,996</u>
Net position of governmental activities (Exhibit A)		<u>\$ 21,390,783</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 5,169,008	\$ 799,671	\$ 1,122,497	\$ 0	\$ 7,091,176
Licenses and Permits	19,069	20	0	0	19,089
Fines, Forfeitures, and Penalties	268,576	0	0	67,547	336,123
Charges for Current Services	1,552,691	0	0	374,453	1,927,144
Other Local Revenues	266,481	57,296	0	0	323,777
Fees Received From County Officials	844,023	0	0	0	844,023
State of Tennessee	3,116,498	3,315,272	0	0	6,431,770
Federal Government	592,473	0	0	0	592,473
Other Governments and Citizens Groups	278,758	0	714,952	0	993,710
Total Revenues	\$ 12,107,577	\$ 4,172,259	\$ 1,837,449	\$ 442,000	\$ 18,559,285
Expenditures					
Current:					
General Government	\$ 1,645,313	\$ 0	\$ 0	\$ 0	\$ 1,645,313
Finance	479,082	0	0	368,324	847,406
Administration of Justice	922,872	0	0	0	922,872
Public Safety	4,068,434	0	0	146,600	4,215,034
Public Health and Welfare	1,786,680	0	0	0	1,786,680
Social, Cultural, and Recreational Services	101,314	0	0	0	101,314
Agriculture and Natural Resources	107,965	0	0	0	107,965
Other Operations	1,410,874	0	0	0	1,410,874
Highways	0	3,842,414	0	0	3,842,414
Debt Service:					
Principal on Debt	0	0	1,109,717	0	1,109,717
Interest on Debt	0	0	576,776	0	576,776
Other Debt Service	0	0	16,810	0	16,810
Total Expenditures	\$ 10,522,534	\$ 3,842,414	\$ 1,703,303	\$ 514,924	\$ 16,583,175

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,585,043	\$ 329,845	\$ 134,146	\$ (72,924)	\$ 1,976,110
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 12,829	\$ 19,998	\$ 0	\$ 0	\$ 32,827
Total Other Financing Sources (Uses)	\$ 12,829	\$ 19,998	\$ 0	\$ 0	\$ 32,827
Net Change in Fund Balances	\$ 1,597,872	\$ 349,843	\$ 134,146	\$ (72,924)	\$ 2,008,937
Fund Balance, July 1, 2020	4,625,178	2,518,938	681,605	277,779	8,103,500
Fund Balance, June 30, 2021	\$ 6,223,050	\$ 2,868,781	\$ 815,751	\$ 204,855	\$ 10,112,437

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

Exhibit C-4

Hardeman 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)		\$ 2,008,937
(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	\$ 1,728,669	
Less: current-year depreciation expense	<u>(3,013,326)</u>	(1,284,657)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: proceeds received from the disposal of capital assets		(4,309)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 921,996	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(1,983,856)</u>	(1,061,860)
(4) The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 1,020,000	
Add: principal payments on note	63,879	
Add: principal payments on other loan	25,838	
Less: contributions from the school department for the other loan	(25,838)	
Less: change in deferred amount on refunding debt	(75,561)	
Add: change in premium on debt proceeds	<u>25,093</u>	1,033,411
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 4,882	
Change in net pension asset	(467,933)	
Change in deferred outflows related to pensions	92,617	
Change in deferred inflows related to pensions	681,854	
Change in compensated absences payable	<u>17,028</u>	<u>328,448</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,019,970</u>

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

Exhibit C-5

Hardeman 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)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,169,008	\$ 0	\$ 0	\$ 5,169,008	\$ 4,812,000	\$ 4,812,000	\$ 357,008
Licenses and Permits	19,069	0	0	19,069	35,400	35,400	(16,331)
Fines, Forfeitures, and Penalties	268,576	0	0	268,576	262,675	262,675	5,901
Charges for Current Services	1,552,691	0	0	1,552,691	1,494,170	1,494,170	58,521
Other Local Revenues	266,481	0	0	266,481	422,700	422,700	(156,219)
Fees Received From County Officials	844,023	0	0	844,023	1,170,000	1,170,000	(325,977)
State of Tennessee	3,116,498	0	0	3,116,498	2,869,100	2,869,100	247,398
Federal Government	592,473	0	0	592,473	111,850	153,274	439,199
Other Governments and Citizens Groups	278,758	0	0	278,758	291,000	291,000	(12,242)
Total Revenues	\$ 12,107,577	\$ 0	\$ 0	\$ 12,107,577	\$ 11,468,895	\$ 11,510,319	\$ 597,258
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 36,903	\$ 0	\$ 0	\$ 36,903	\$ 44,000	\$ 46,405	\$ 9,502
Board of Equalization	850	0	0	850	1,000	1,000	150
Beer Board	261	0	0	261	1,000	1,100	839
Budget and Finance Committee	781	0	0	781	1,500	1,600	819
Other Boards and Committees	4,007	0	0	4,007	6,000	6,150	2,143
County Mayor/Executive	231,113	0	0	231,113	245,546	245,547	14,434
County Attorney	489,318	0	0	489,318	89,225	462,671	(26,647)
Election Commission	224,748	0	0	224,748	260,938	260,938	36,190
Register of Deeds	196,254	0	0	196,254	203,483	205,514	9,260
Development	67,541	0	0	67,541	79,377	79,377	11,836
County Buildings	342,142	0	700,000	1,042,142	1,348,847	1,540,932	498,790
Other Facilities	30,758	0	0	30,758	99,175	99,175	68,417
Other General Administration	15,773	0	0	15,773	25,000	25,000	9,227
Preservation of Records	4,864	0	0	4,864	9,860	9,860	4,996
<u>Finance</u>							
Accounting and Budgeting	18,755	0	0	18,755	20,599	20,599	1,844
Purchasing	4,245	0	0	4,245	4,375	4,375	130

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 140,849	\$ 0	\$ 0	\$ 140,849	\$ 146,168	\$ 148,668	\$ 7,819
Reappraisal Program	158,767	0	0	158,767	171,581	171,581	12,814
County Trustee's Office	54,045	0	0	54,045	229,115	66,450	12,405
County Clerk's Office	102,421	0	0	102,421	322,057	116,776	14,355
<u>Administration of Justice</u>							
Circuit Court	375,789	0	0	375,789	436,023	436,023	60,234
General Sessions Court	145,873	0	0	145,873	141,462	146,520	647
Chancery Court	241,805	0	0	241,805	251,288	251,288	9,483
Juvenile Court	63,628	0	0	63,628	61,330	69,234	5,606
Courtroom Security	92,386	0	0	92,386	99,625	102,125	9,739
Victim Assistance Programs	3,391	0	0	3,391	9,000	9,000	5,609
<u>Public Safety</u>							
Sheriff's Department	1,836,509	0	0	1,836,509	1,815,866	1,947,073	110,564
Special Patrols	150,254	0	0	150,254	150,290	153,765	3,511
Workhouse	1,509,694	0	800	1,510,494	1,593,073	1,647,839	137,345
Juvenile Services	47,887	0	0	47,887	48,840	48,840	953
Fire Prevention and Control	75,300	0	0	75,300	130,000	130,000	54,700
Rural Fire Protection	421	0	0	421	5,500	5,500	5,079
Civil Defense	10,757	0	0	10,757	16,900	16,950	6,193
Other Emergency Management	390,812	0	0	390,812	245,000	392,021	1,209
County Coroner/Medical Examiner	46,800	0	0	46,800	25,000	40,560	(6,240)
<u>Public Health and Welfare</u>							
Local Health Center	65,996	0	0	65,996	80,120	80,120	14,124
Rabies and Animal Control	34,324	0	0	34,324	72,300	72,300	37,976
Ambulance/Emergency Medical Services	1,582,448	(16,291)	0	1,566,157	1,903,616	1,903,954	337,797
Dental Health Program	92,943	0	0	92,943	111,000	111,000	18,057
Other Local Health Services	0	0	0	0	2,816	2,816	2,816
Sanitation Education/Information	10,969	0	0	10,969	46,500	46,500	35,531

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 101,314	\$ 0	\$ 0	\$ 101,314	\$ 101,314	\$ 101,314	\$ 0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	72,173	0	0	72,173	83,143	83,143	10,970
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	33,792	0	0	33,792	47,132	47,132	13,340
<u>Other Operations</u>							
Industrial Development	40,000	0	0	40,000	45,750	45,750	5,750
Other Economic and Community Development	186,971	0	0	186,971	25,000	215,591	28,620
Airport	135,403	0	0	135,403	163,738	193,738	58,335
Veterans' Services	14,767	0	0	14,767	15,811	15,811	1,044
Contributions to Other Agencies	20,502	0	0	20,502	32,675	32,675	12,173
Employee Benefits	149,655	0	0	149,655	9,000	145,912	(3,743)
COVID-19 Grant #1	378,300	0	0	378,300	0	378,300	0
COVID-19 Grant #2	35,254	0	0	35,254	0	55,254	20,000
COVID-19 Grant #4	20,797	0	0	20,797	0	20,797	0
COVID-19 Grant #6	0	0	0	0	0	3,533	3,533
Miscellaneous	429,225	(8,409)	0	420,816	411,200	436,354	15,538
Total Expenditures	\$ 10,522,534	\$ (24,700)	\$ 700,800	\$ 11,198,634	\$ 11,491,158	\$ 12,904,450	\$ 1,705,816
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,585,043	\$ 24,700	\$ (700,800)	\$ 908,943	\$ (22,263)	\$ (1,394,131)	\$ 2,303,074
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 12,829	\$ 0	\$ 0	\$ 12,829	\$ 10,000	\$ 10,000	\$ 2,829
Transfers In	0	0	0	0	50,000	54,151	(54,151)
Total Other Financing Sources	\$ 12,829	\$ 0	\$ 0	\$ 12,829	\$ 60,000	\$ 64,151	\$ (51,322)

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 1,597,872	\$ 24,700	\$ (700,800)	\$ 921,772	\$ 37,737	\$ (1,329,980)	\$ 2,251,752
Fund Balance, July 1, 2020	4,625,178	(24,700)	0	4,600,478	3,831,376	3,831,376	769,102
Fund Balance, June 30, 2021	\$ 6,223,050	\$ 0	\$ (700,800)	\$ 5,522,250	\$ 3,869,113	\$ 2,501,396	\$ 3,020,854

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 799,671	\$ 774,008	\$ 774,008	\$ 25,663
Licenses and Permits	20	20	20	0
Other Local Revenues	57,296	8,500	8,500	48,796
State of Tennessee	3,315,272	4,343,838	4,343,838	(1,028,566)
Total Revenues	\$ 4,172,259	\$ 5,126,366	\$ 5,126,366	\$ (954,107)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 191,811	\$ 212,836	\$ 212,836	\$ 21,025
Highway and Bridge Maintenance	1,205,107	1,587,000	1,587,000	381,893
Operation and Maintenance of Equipment	369,770	509,200	509,200	139,430
Asphalt Plant Operations	369,706	2,049,002	2,049,002	1,679,296
Other Charges	93,936	112,100	112,100	18,164
Employee Benefits	430,951	608,328	608,328	177,377
Capital Outlay	1,181,133	986,841	1,586,841	405,708
Total Expenditures	\$ 3,842,414	\$ 6,065,307	\$ 6,665,307	\$ 2,822,893
Excess (Deficiency) of Revenues Over Expenditures	\$ 329,845	\$ (938,941)	\$ (1,538,941)	\$ 1,868,786
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 19,998	\$ 3,000	\$ 3,000	\$ 16,998
Total Other Financing Sources	\$ 19,998	\$ 3,000	\$ 3,000	\$ 16,998
Net Change in Fund Balance	\$ 349,843	\$ (935,941)	\$ (1,535,941)	\$ 1,885,784
Fund Balance, July 1, 2020	2,518,938	1,983,902	1,983,902	535,036
Fund Balance, June 30, 2021	\$ 2,868,781	\$ 1,047,961	\$ 447,961	\$ 2,420,820

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

Hardeman County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2021

	Business-type Activities
	<u>Major</u>
	<u>Enterprise</u>
	<u>Fund</u>
	Solid Waste Disposal Fund
	<u>Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 340
Equity in Pooled Cash and Investments	3,834,711
Accounts Receivable	17,215
Allowance for Uncollectibles	(11,189)
Cash Shortage	1,890
Total Current Assets	<u>\$ 3,842,967</u>
Noncurrent Assets:	
Net Pension Asset - Agent Plan	\$ 11,161
Capital Assets:	
Assets Not Depreciated:	
Land	219,838
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	1,001,971
Other Capital Assets	337,755
Total Noncurrent Assets	<u>\$ 1,570,725</u>
Total Assets	<u>\$ 5,413,692</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 7,884
Pension Changes in Investment Earnings	7,632
Pension Changes in Assumptions	7,447
Pension Contributions After Measurement Date	29,072
Total Deferred Outflows of Resources	<u>\$ 52,035</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 40,148
Payroll Deductions Payable	171
Accrued Leave - Current	8,849
Due to State of Tennessee	111
Total Current Liabilities	<u>\$ 49,279</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 2,961,863
Total Noncurrent Liabilities	<u>\$ 2,961,863</u>
Total Liabilities	<u>\$ 3,011,142</u>

(Continued)

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

	<u>Business-type Activities</u> <u>Major Enterprise Fund</u> <u>Solid Waste Disposal Fund</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 21,090
Total Deferred Inflows of Resources	<u>\$ 21,090</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 1,559,564
Restricted for Pensions	11,161
Unrestricted	<u>862,770</u>
Net Position	<u><u>\$ 2,433,495</u></u>

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

Exhibit D-2

Hardeman County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Revenues</u>	
Residential Waste Collection Charge	\$ 1,122,192
Solid Waste Disposal Fee	224,699
Service Charges	14,759
Total Operating Revenues	<u>\$ 1,361,650</u>
<u>Operating Expenses</u>	
County Official/Administrative Officer	\$ 23,423
Accountants/Bookkeepers	8,699
Laborers	244,335
Clerical Personnel	78,210
Part-time Personnel	112,502
Overtime Pay	38
Bonus Payments	550
Social Security	28,747
Pensions	12,410
Employee and Dependent Insurance	63,658
Disability Insurance	22,032
Unemployment Compensation	2,416
Employer Medicare	6,723
Audit Services	5,450
Communication	5,502
Consultants	34,212
Contracts with Private Agencies	676,340
Data Processing Services	11,166
Legal Notices, Recording and Court Costs	92
Maintenance and Repair Services - Buildings	7,245
Maintenance and Repair Services - Equipment	41,557
Maintenance and Repair Services - Vehicles	4,486
Postal Charges	461
Rentals	3,143
Travel	554
Other Contracted Services	14,329
Custodial Supplies	1,061
Gasoline	23,721
Lubricants	3,422

(Continued)

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Expenses (Cont.)</u>	
Office Supplies	\$ 2,658
Uniforms	3,521
Utilities	76,580
Gravel and Chert	6,215
Fencing	7,619
Other Supplies and Materials	4,755
Liability Insurance	12,419
Refunds	1,536
Depreciation	170,861
Landfill Closure/Postclosure Care Costs	50,287
Other Charges	17,779
Motor Vehicles	12,500
Office Equipment	3,162
Solid Waste Equipment	763
Other Capital Outlay	2,337
Total Operating Expenses	<u>\$ 1,809,476</u>
Operating Income (Loss)	<u>\$ (447,826)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 7,026
Miscellaneous Refunds	300
Sale of Equipment	11,825
Solid Waste Grants	140,598
Other State Revenues	12,994
Insurance Recovery	21,869
Total Nonoperating Revenues (Expenses)	<u>\$ 194,612</u>
Change in Net Position	\$ (253,214)
Net Position, July 1, 2020	<u>2,686,709</u>
Net Position, June 30, 2021	<u><u>\$ 2,433,495</u></u>

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

Exhibit D-3

Hardeman County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,361,673
Payments for Waste Disposal and Maintenance	(1,607,435)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (245,762)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Solid Waste Grants	\$ 140,598
Other State Revenues	12,994
Miscellaneous Refunds	300
Insurance Recovery	21,869
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 175,761</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 7,026
Net Cash Provided By (Used In) Investing Activities	<u>\$ 7,026</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (63,574)
Sale of Equipment	11,825
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (51,749)</u>
Increase (Decrease) in Cash	\$ (114,724)
Cash, July 1, 2020	<u>3,949,775</u>
Cash, June 30, 2021	<u><u>\$ 3,835,051</u></u>

(Continued)

Exhibit D-3

Hardeman County, Tennessee
Statement of Cash Flows
Proprietary Fund (Cont.)

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (447,826)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	170,861
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	75
(Decrease) in Allowance for Uncollectibles	(49)
Decrease in Net Pension Asset	19,905
(Increase) in Deferred Outflows of Resources Related to Pensions	(8,250)
(Decrease) in Accounts Payable	(3,435)
(Decrease) in Payroll Deductions Payable	(272)
Increase in Due to State of Tennessee	58
Increase in Compensated Absences	1,262
(Decrease) in Deferred Inflows Related to Pensions	(28,378)
Increase in Accrued Liability for Landfill Closure/Postclosure Costs	50,287
Net Cash Provided By (Used In) Operating Activities	<u>\$ (245,762)</u>
<u>Reconciliation of Cash with Statement of Net Position</u>	
Cash Per Net Position	\$ 340
Equity in Pooled Cash and Investments Per Net Position	<u>3,834,711</u>
Cash, June 30, 2021	<u>\$ 3,835,051</u>

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

Exhibit E-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,659,882
Due from Other Governments	<u>383,934</u>
Total Assets	<u>\$ 2,043,816</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 383,934</u>
Total Liabilities	<u>\$ 383,934</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,659,882</u>
Total Net Position	<u><u>\$ 1,659,882</u></u>

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

Hardeman County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
June 30, 2021

Custodial
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 2,241,622	
Fines/Fees and Other Collections	7,443,133	
Total Additions	<u>\$ 9,684,755</u>	

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 2,241,622	
Payments to State	2,699,379	
Payments to Cities, Individuals, and Others	4,649,804	
Total Deductions	<u>\$ 9,590,805</u>	

Net Increase (Decrease) in Fiduciary in Net Position	\$ 93,950	
Net Position, July 1, 2020	0	
Restatement - See Note I.D.9.	<u>1,565,932</u>	
Net Position, June 30, 2021	<u><u>\$ 1,659,882</u></u>	

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

HARDEMAN COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hardeman 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 Hardeman County:

A. Reporting Entity

Hardeman County is a public municipal corporation governed by an elected 16-member board. As required by GAAP, these financial statements present Hardeman County (the primary government) and its component units. The financial statements of the Hardeman County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the 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 Hardeman County School Department operates the public school system in the county, and the voters of Hardeman 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 Hardeman County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Hardeman County, and the Hardeman 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 Hardeman County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Hardeman County Emergency Communications District
P.O. Box 355
Bolivar, TN 38008

Related Organizations – The Hardeman County Industrial Development Board and the Hardeman County Correctional Facilities Corporation are related organizations of Hardeman County. The county mayor nominates, and the Hardeman County Commission confirms the board members, but the county’s accountability for the organizations does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus 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.

Hardeman County reports the following major governmental funds:

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

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

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

Hardeman County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for the transactions of the county-owned landfill.

Additionally, Hardeman 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 Hardeman County.

The discretely presented Hardeman 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 (FY21) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY20) 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.

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

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

1. Deposits and Investments

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment

Pool; the State Treasurer's Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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

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

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

Investment Fund complied with accounting principles generally accepted in the United States of America. Hardeman County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. Ambulance and solid waste receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 1.73 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.

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 Hardeman 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 Hardeman County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Hardeman County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than five 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:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Machinery and Equipment	5
Other Capital Assets	5 - 40
Infrastructure:	
Roads	10 - 20
Bridges	5 - 20

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the deferred charge on refunding, pension and OPEB changes in experience, assumptions, and proportion; pension changes in investment earnings, as well as employer contributions made to the pension and OPEB plans after the measurement date.

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

6. Compensated Absences

It is the policy of the county and the school department to permit employees to accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated sick leave since neither the county nor the school department has a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the discretely presented school department. A liability for vacation pay is reported in governmental

funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$1,981,881 in restricted net position, of which \$427,787 is restricted by enabling legislation.

As of June 30, 2021, Hardeman County had \$3,025,000 in outstanding debt for capital purposes for the discretely presented Hardeman County School Department. This debt is a liability of Hardeman County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Hardeman County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of

Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that 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 Hardeman County School Department. A restatement of \$1,242,655 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 \$1,565,932 using the economic 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 Hardeman County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Hardeman 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 Hardeman 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 Hardeman 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 Hardeman 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 Hardeman County School Department

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

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

Primary Government

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

Discretely Presented Hardeman County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund 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, Beer Board, Budget and Finance Committee, Other Boards and Committees, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2021, Hardeman County and the Hardeman County School Department reported the following encumbrances:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
General	\$ 700,800
Nonmajor Fund:	
Drug Control	2,085
School Department:	
Major Funds:	
General Purpose School	245,618
School Federal Projects	876,255

B. Cash Shortage – Prior Year

On February 4, 2015, the Comptroller’s Division of Investigations issued a special report on the Hardeman County Solid Waste Office for the period July 1, 2013, through September 9, 2014. This report disclosed that a former employee failed to make deposits of collections of at least \$3,062. On January 7, 2016, the former employee pled guilty to theft of property and was ordered to pay restitution of \$3,070 and a fine of \$500. The outstanding cash shortage totaled \$1,890 at June 30, 2021.

C. Expenditures Exceeded Appropriations

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Fund:	
General Government - County Attorney	\$ 26,647
Public Safety - County Coroner/Medical Examiner	6,240
Other Operations - Employee Benefits	3,743
General Purpose School Fund:	
Instruction - Alternative Instruction Program	1,439
Instruction - Career and Technical Education Program	85,748
Support Services - Attendance	5,090
Support Services - Other Student Support	50,506
Support Services - Special Education Program	26,296
Support Services - Director of Schools	7,914
Support Services - Office of Principal	23,456
Support Services - Maintenance of Plant	52,875
Capital Outlay - Regular Capital Outlay	206,517

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Hardeman County and the Hardeman 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.

Investment Balances. As of June 30, 2021, Hardeman County had the following investments carried at amortized cost using a Stable Net Asset Value, amortized cost using a floating Net Asset Value, or fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Hardeman County and the discretely presented Hardeman County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
State Treasurer's Investment Pool	1 to 68	N/A	\$ 2,025,459

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Hardeman County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Hardeman County has no investment policy that would further limit its investment choices. As of June 30, 2021, Hardeman County’s investment in the State Treasurer’s Investment Pool was unrated.

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

TCRS Stabilization Trust

Legal Provisions. The Hardeman 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 Hardeman 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 Hardeman 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	\$ 62,976
Developed Market International Equity	N/A	N/A	28,441
Emerging Market International Equity	N/A	N/A	8,126
U.S. Fixed Income	N/A	N/A	40,629
Real Estate	N/A	N/A	20,315
Short-term Securities	N/A	N/A	2,031
NAV - Private Equity and Strategic Lending	N/A	N/A	40,629
Total			\$ 203,147

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	\$ 1,757,650	\$ 0	\$ 0	\$ 1,757,650
Construction in Progress	153,556	34,000	(153,556)	34,000
Total Capital Assets Not Depreciated	\$ 1,911,206	\$ 34,000	\$ (153,556)	\$ 1,791,650
Capital Assets Depreciated:				
Buildings and Improvements	\$ 28,214,932	\$ 108,052	\$ 0	\$ 28,322,984
Infrastructure	29,200,925	390,187	0	29,591,112
Other Capital Assets	9,459,996	1,349,986	(144,420)	10,665,562
Total Capital Assets Depreciated	\$ 66,875,853	\$ 1,848,225	\$ (144,420)	\$ 68,579,658
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 15,319,691	\$ 953,165	\$ 0	\$ 16,272,856
Infrastructure	16,251,837	1,404,084	0	17,655,921
Other Capital Assets	6,858,390	656,077	(140,111)	7,374,356
Total Accumulated Depreciation	\$ 38,429,918	\$ 3,013,326	\$ (140,111)	\$ 41,303,133
Total Capital Assets Depreciated, Net	\$ 28,445,935	\$ (1,165,101)	\$ (4,309)	\$ 27,276,525
Governmental Activities Capital Assets, Net	\$ 30,357,141	\$ (1,131,101)	\$ (157,865)	\$ 29,068,175

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

Governmental Activities:

General Government	\$ 192,835
Finance	4,187
Administration of Justice	5,279
Public Safety	332,139
Public Health and Welfare	751,141
Social, Cultural, and Recreational Services	0
Highways/Public Works	<u>1,727,745</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 3,013,326</u>
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Business-type Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 219,838	\$ 0	\$ 0	\$ 219,838
Total Capital Assets Not Depreciated	<u>\$ 219,838</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 219,838</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 2,507,367	\$ 0	\$ 0	\$ 2,507,367
Other Capital Assets	841,344	63,574	(77,193)	827,725
Total Capital Assets Depreciated	<u>\$ 3,348,711</u>	<u>\$ 63,574</u>	<u>\$ (77,193)</u>	<u>\$ 3,335,092</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,414,237	\$ 91,159	\$ 0	\$ 1,505,396
Other Capital Assets	487,461	79,702	(77,193)	489,970
Total Accumulated Depreciation	<u>\$ 1,901,698</u>	<u>\$ 170,861</u>	<u>\$ (77,193)</u>	<u>\$ 1,995,366</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,447,013</u>	<u>\$ (107,287)</u>	<u>\$ 0</u>	<u>\$ 1,339,726</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,666,851</u>	<u>\$ (107,287)</u>	<u>\$ 0</u>	<u>\$ 1,559,564</u>

Depreciation expense was charged to functions of the business-type activities as follows:

Business-type Activities:

Solid Waste Disposal	\$ 170,861
Total Depreciation Expense - Business-type Activities	<u>\$ 170,861</u>

Discretely Presented Hardeman County School Department

Governmental Activities:

	Balance 7-1-20	Increases	Balance 6-30-21
Capital Assets Not Depreciated:			
Land	\$ 358,116	\$ 0	\$ 358,116
Total Capital Assets Not Depreciated	<u>\$ 358,116</u>	<u>\$ 0</u>	<u>\$ 358,116</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 37,947,896	\$ 206,517	\$ 38,154,413
Other Capital Assets	10,267,382	77,477	10,344,859
Total Capital Assets Depreciated	<u>\$ 48,215,278</u>	<u>\$ 283,994</u>	<u>\$ 48,499,272</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 23,876,160	\$ 1,173,956	\$ 25,050,116
Other Capital Assets	7,860,751	541,718	8,402,469
Total Accumulated Depreciation	<u>\$ 31,736,911</u>	<u>\$ 1,715,674</u>	<u>\$ 33,452,585</u>
Total Capital Assets Depreciated, Net	<u>\$ 16,478,367</u>	<u>\$ (1,431,680)</u>	<u>\$ 15,046,687</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,836,483</u>	<u>\$ (1,431,680)</u>	<u>\$ 15,404,803</u>

There were no decreases in capital assets to report during the year ended June 30, 2021. Depreciation expense was charged to functions of the discretely presented Hardeman County School Department as follows:

Governmental Activities:

Instruction	\$ 702,772
Support Services	926,072
Operation of Non-instructional Services	<u>86,830</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,715,674</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 5,678
Discretely Presented School Department:		
General Purpose School	School Federal Projects	128,170
School Federal Projects	General Purpose School	19,803
Nonmajor Governmental	"	29,740

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

The receivable in the General Purpose School Fund totaling \$28,501 was in transit from the School Federal Projects Fund at June 30, 2021.

Interfund Transfers:

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

Discretely Presented Hardeman County School Department

Transfers Out	Transfers In			Purpose
	General Purpose School Fund	School Federal Projects Fund	Nonmajor Governmental Fund	
General Purpose School Fund	\$ 0	\$ 500,000	\$ 0	Cash flow funds School to work
"	0	5,357	0	program costs
"	0	5,117		Save the children program costs
School Federal Projects Fund	128,170	0	0	Indirect costs
"	284,471	0	29,740	COVID expenses
"	19,896	0	0	Comprehensive Coordinated Early Intervening
Total	\$ 432,537	\$ 510,474	\$ 29,740	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loan

General Obligation Bonds - Hardeman County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 26 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 - Hardeman 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. The capital outlay note was issued for an original term of 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

General obligation bonds and the capital outlay note outstanding as of June 30, 2021, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds	2 to 3 %	4-1-30	\$ 2,815,000	\$ 1,635,000
General Obligation Bonds - Refunding	2 to 5	6-1-43	21,800,000	17,555,000
Direct Borrowing and Direct Placement:				
Capital Outlay Note	2.59	10-21-27	800,000	496,236

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 1,045,000	\$ 541,081	\$ 1,586,081
2023	1,080,000	519,429	1,599,429
2024	1,105,000	496,656	1,601,656
2025	665,000	473,805	1,138,805
2026	680,000	459,230	1,139,230
2027-2031	3,625,000	2,042,762	5,667,762
2032-2036	3,625,000	1,599,675	5,224,675
2037-2041	5,010,000	938,923	5,948,923
2042-2043	2,355,000	124,557	2,479,557
Total	\$ 19,190,000	\$ 7,196,118	\$ 26,386,118

Year Ending June 30	Note - Direct Placement		
	Principal	Interest	Total
2022	\$ 65,573	\$ 12,852	\$ 78,425
2023	67,272	11,154	78,426
2024	69,014	9,412	78,426
2025	70,780	7,645	78,425
2026	72,635	5,791	78,426
2027-2028	150,962	5,890	156,852
Total	<u>\$ 496,236</u>	<u>\$ 52,744</u>	<u>\$ 548,980</u>

There is \$815,751 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$754, based on the 2020 federal census. Total debt per capita, including bonds, the note, and unamortized debt premiums, totaled \$783, 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 as noted in the table below.

Description of Debt	Outstanding 6-30-21
<u>Bonds Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation School Bonds, Series 2013	\$ 1,635,000
General Obligation Refunding Bonds, Series 2015	<u>1,390,000</u>
Total	<u>\$ 3,025,000</u>

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 Loan- Direct Placement
Balance, July 1, 2020	\$ 20,210,000	\$ 560,115	\$ 25,838
Reductions	(1,020,000)	(63,879)	(25,838)
Balance, June 30, 2021	<u>\$ 19,190,000</u>	<u>\$ 496,236</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 1,045,000</u>	<u>\$ 65,573</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 19,686,236
Less: Balance Due Within One Year - Debt	(1,110,573)
Add: Unamortized Premium on Debt	<u>256,611</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 18,832,274</u>

E. Long-term Obligations

Changes in Long-term Obligations

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

	<u>Compensated Absences</u>
Balance, July 1, 2020	\$ 164,293
Additions	233,030
Reductions	<u>(250,058)</u>
Balance, June 30, 2021	<u>\$ 147,265</u>
Balance Due Within One Year	<u>\$ 147,265</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 147,265
Less: Balance Due Within One Year - Other	<u>(147,265)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 0</u></u>

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

Hardeman County Solid Waste Disposal (Enterprise) Fund

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2021, was as follows:

Business-type Activities:

	Landfill Closure/ Postclosure Care Costs	Compensated Absences
Balance, July 1, 2020	\$ 2,911,576	\$ 7,587
Additions	50,287	11,428
Reductions	<u>0</u>	<u>(10,166)</u>
Balance, June 30, 2021	<u><u>\$ 2,961,863</u></u>	<u><u>\$ 8,849</u></u>
Balance Due Within One Year	<u><u>\$ 0</u></u>	<u><u>\$ 8,849</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 2,970,712
Less: Balance Due Within One Year - Other	<u>(8,849)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 2,961,863</u></u>

Discretely Presented Hardeman County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Hardeman County School Department for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Compensated Absences	Net OPEB Liability
Balance, July 1, 2020	\$ 192,442	\$ 3,037,345
Additions	89,011	703,623
Reductions	(66,840)	(342,701)
Balance, June 30, 2021	<u>\$ 214,613</u>	<u>\$ 3,398,267</u>
Balance Due Within One Year	<u>\$ 41,762</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 3,612,880
Less: Balance Due Within One Year - Other	<u>(41,762)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,571,118</u>

Compensated absences and the net OPEB liability will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hardeman 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 for the year ended June 30, 2021, were \$90,555. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

It is the policy of the county to carry commercial insurance for active employee’s health and accident coverage. Retirees are not allowed to continue

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

Discretely Presented Hardeman County School Department

Employee Health Insurance

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. 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.

The county is involved in several pending lawsuits. 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 statements.

D. Change in Administration

On November 13, 2020, Bobby Doyle left the Office of Director of Schools and was succeeded by Warner Ross, who had returned from military deployment.

E. Landfill Closure/Postclosure Care Costs

Hardeman County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a bailing/recycling center. 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. The \$2,961,863 reported as landfill closure and postclosure care liability at June 30, 2021, represents the cumulative amount reported to date based on the use of 98 percent of the estimated capacity of the extension landfill site (\$1,361,548) and for the original landfill site closed in 1999 (\$1,600,315) and represents estimates of the cost to perform all closure and postclosure care in 2021. The county will recognize the remaining estimated costs of closure and postclosure care of \$27,787 on the operating landfill as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Bolivar/Hardeman County Library is jointly owned by Hardeman County and the city of Bolivar and is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Hardeman County Mayor. The remaining three members are appointed by the Bolivar City Mayor. Hardeman County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Hardeman County contributed \$101,314 to the operations of the library during the year ended June 30, 2021.

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

Administrative Office:

Bolivar/Hardeman County Library
213 North Washington Street
Bolivar, TN 38008

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Hardeman County and non-certified employees of the discretely presented Hardeman 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 comprised 58.38 percent and the non-certified employees of the discretely presented school department comprised 41.62 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	255
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	370
Active Employees	357
 Total	 <hr/> <hr/> 982

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the

Tennessee General Assembly. Employees are noncontributory. Hardeman County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contribution for Hardeman County was \$954,165 based on a rate of 10.28 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hardeman 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)

Hardeman County's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 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 historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments

expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Hardeman 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	\$ 35,548,346	\$ 36,750,313	\$ (1,201,967)
Changes for the Year:			
Service Cost	\$ 834,483	\$ 0	\$ 834,483
Interest	2,577,859	0	2,577,859
Differences Between Expected and Actual Experience	186,164	0	186,164
Contributions-Employer	0	1,004,279	(1,004,279)
Contributions-Employees	0	3,134	(3,134)
Net Investment Income	0	1,806,060	(1,806,060)
Benefit Payments, Including Refunds of Employee Contributions	(1,652,295)	(1,652,295)	0
Administrative Expense	0	(32,062)	32,062
Net Changes	\$ 1,946,211	\$ 1,129,116	\$ 817,095
Balance, June 30, 2020	\$ 37,494,557	\$ 37,879,429	\$ (384,872)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.38%	\$ 21,889,322	\$ 22,114,011	\$ (224,688)
School Department	41.62%	15,605,235	15,765,418	(160,184)
Total		\$ 37,494,557	\$ 37,879,429	\$ (384,872)

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

	1% Decrease	Current Discount Rate	1% Increase
<u>Hardeman County</u>	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 4,321,798 \$ (384,872) \$ (4,321,022)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, Hardeman County recognized pension expense of \$412,071.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, Hardeman 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	\$ 271,712	\$ 726,873
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	263,042	0
Changes in Assumptions	256,679	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	954,165	N/A
Total	<u>\$ 1,745,598</u>	<u>\$ 726,873</u>

- (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	\$ 970,723	\$ 403,258
Business-type Activities	52,035	21,090
School Department	<u>722,840</u>	<u>302,525</u>
Total	<u>\$ 1,745,598</u>	<u>\$ 726,873</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (283,200)
2023	60,751
2024	83,027
2025	203,982
2026	0
Thereafter	0

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

Discretely Presented Hardeman County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Hardeman County and non-certified employees of the discretely presented Hardeman 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 comprised 58.38 percent and the non-certified employees of the discretely presented

school department comprised 41.62 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hardeman 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 \$62,438, which is 2.02 percent of covered payroll. 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 (\$131,065) 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 (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .230487 percent. The proportion as of June 30, 2019, was .260574 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense of \$56,441.

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	\$ 4,869	\$ 32,844
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,677	0
Changes in Assumptions	4,110	0
Changes in Proportion of Net Pension Liability (Asset)	40,036	2,668
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	62,438	N/A
Total	<u>\$ 122,130</u>	<u>\$ 35,512</u>

The school department's employer contributions of \$62,438, 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	\$ 2,372
2023	3,915
2024	4,701
2025	4,925
2026	1,309
Thereafter	6,958

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 historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 101,947 \$ (131,065) \$ (302,823)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hardeman 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 Hardeman County School Department for the year ended June 30, 2021, to the Teacher Legacy Pension Plan were \$1,354,051, 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 (\$3,130,159) 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 .410473 percent. The proportion measured at June 30, 2019, was .430463 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized negative pension expense of (\$47,408).

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	\$ 118,995	\$ 1,504,925
Changes in Assumptions	284,360	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	699,089	0
Changes in Proportion of Net Pension Liability (Asset)	47,852	28,623
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	<u>1,354,051</u>	<u>N/A</u>
Total	<u>\$ 2,504,347</u>	<u>\$ 1,533,548</u>

The school department's employer contributions of \$1,354,051 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 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	\$ (786,838)
2023	(98,497)
2024	38,987
2025	463,096
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 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 historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 9,734,726 \$ (3,130,159) \$ (13,798,171)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$153,386 and teachers contributed \$53,020 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

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

OPEB Provided Through State Administered Public Entity Risk Pools

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

The school department's total OPEB liability for the plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2020, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.1%
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 decreasing annually over a 10-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 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, 2020, 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 TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2.0 percent load for males and a -3.0 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 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.

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

Plan description. Employees of the Hardeman County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits provided. The Hardeman County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Hardeman County provided a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 25 or more years of service receive 45 percent; 20 but less than 25 years, 35 percent, and 15 but less than 20 years, 25 percent toward the cost of the insurance plan selected by the retiree. Also, the state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries	
Currently receiving Benefits	23
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	358
 Total	 <u><u>381</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$142,576 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Hardeman County School Department 65.880%</u>	<u>State of TN 34.120%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 3,037,345	\$ 1,745,424	\$ 4,782,769
Changes for the Year:			
Service Cost	\$ 133,115	\$ 68,943	\$ 202,058
Interest	112,483	58,257	170,740
Difference between Expected and Actuarial Experience	(182,627)	(94,586)	(277,213)
Changes in Proportion Changes in Assumption and Other Inputs	113,525	(113,525)	0
Benefit Payments	344,501	178,424	522,925
Net Changes	(160,074)	(82,906)	(242,980)
	<u>\$ 360,922</u>	<u>\$ 14,608</u>	<u>\$ 375,530</u>
Balance June 30, 2020	<u>\$ 3,398,267</u>	<u>\$ 1,760,032</u>	<u>\$ 5,158,299</u>

The Hardeman 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 Hardeman 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 \$103,974 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hardeman County School Department's proportionate share of the collective OPEB Liability was 65.880% and the State of Tennessee's share was 34.120%.

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 \$326,684, including the state's share of the expense. 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	\$ 42,080	\$ 329,541
Changes of Assumptions/Inputs	378,010	283,461
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	94,488	38,691
Benefits Paid After the Measurement Date of June 30, 2020	<u>142,576</u>	<u>0</u>
Total	<u>\$ 657,154</u>	<u>\$ 651,693</u>

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:

<u>Year Ending June 30</u>	<u>School Department</u>
2022	\$ (22,888)
2023	(22,888)
2024	(22,888)
2025	(22,888)
2026	(22,888)
Thereafter	(22,675)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,623,145	\$ 3,398,267	\$ 3,179,693
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Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	8.02 to 3.5%	9.02 to 4.5%	10.02 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,048,038	\$ 3,398,267	\$ 3,807,267
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I. Purchasing Laws

Offices of County Mayor, Highway Superintendent, and Director of Schools

Purchasing procedures for all departments, agencies, and offices of Hardeman County are established by Chapter 90, Private Acts of 1989, as amended. Purchasing procedures for the highway department are also governed by provisions of the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated (TCA)*. Purchasing procedures for the school department are also governed by provisions of purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*. Chapter 90, Private Acts of 1989, as amended, designates the county mayor as the county purchasing agent and authorizes the mayor to make purchases for all agencies, offices, and departments of the county, except for purchases that cost less than \$10,000, which may be made directly by the highway superintendent and director of schools. These statutes also require the issuance of purchase orders and the solicitation of bids through newspaper advertisements for all purchases exceeding \$10,000 for the Offices of County Mayor, Highway Superintendent, and Director of Schools.

J. Subsequent Events

On September 30, 2021, Jerry Armstrong left the Office of County Clerk and was succeeded by Polly Morris effective October 1, 2021.

On September 30, 2021, Warner Ross left the Office Director of Schools and was succeeded by Bobby Doyle effective October 1, 2021.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Hardeman 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 Ending June 30

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	\$ 720,165	\$ 745,213	\$ 769,187	\$ 743,695	\$ 772,435	\$ 830,701	\$ 834,483
Interest	1,984,478	2,264,265	2,227,861	2,303,730	2,346,767	2,491,837	2,577,859
Differences Between Actual and Expected Experience	2,014,756	(2,342,360)	(700,148)	(863,492)	306,954	(537,246)	186,164
Changes in Assumptions	0	0	0	770,039	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(948,864)	(1,079,052)	(1,273,914)	(1,245,724)	(1,414,098)	(1,552,816)	(1,652,295)
Net Change in Total Pension Liability	\$ 3,770,535	\$ (411,934)	\$ 1,022,986	\$ 1,708,248	\$ 2,012,058	\$ 1,232,476	\$ 1,946,211
Total Pension Liability, Beginning	26,213,977	29,984,512	29,572,578	30,595,564	32,303,812	34,315,870	35,548,346
Total Pension Liability, Ending (a)	\$ 29,984,512	\$ 29,572,578	\$ 30,595,564	\$ 32,303,812	\$ 34,315,870	\$ 35,548,346	\$ 37,494,557
Plan Fiduciary Net Position							
Contributions - Employer	\$ 767,506	\$ 772,148	\$ 767,538	\$ 766,716	\$ 844,019	\$ 973,460	\$ 1,004,279
Contributions - Employee	0	394	0	14,061	0	335	3,134
Net Investment Income	4,154,524	889,770	778,962	3,356,358	2,689,958	2,567,986	1,806,060
Benefit Payments, Including Refunds of Employee Contributions	(948,864)	(1,079,052)	(1,273,914)	(1,245,724)	(1,414,098)	(1,552,816)	(1,652,295)
Administrative Expense	(13,867)	(18,785)	(27,551)	(30,536)	(35,047)	(32,892)	(32,062)
Net Change in Plan Fiduciary Net Position	\$ 3,959,299	\$ 564,475	\$ 245,035	\$ 2,860,875	\$ 2,084,832	\$ 1,956,073	\$ 1,129,116
Plan Fiduciary Net Position, Beginning	25,079,724	29,039,023	29,603,498	29,848,533	32,709,408	34,794,240	36,750,313
Plan Fiduciary Net Position, Ending (b)	\$ 29,039,023	\$ 29,603,498	\$ 29,848,533	\$ 32,709,408	\$ 34,794,240	\$ 36,750,313	\$ 37,879,429
Net Pension Liability (Asset), Ending (a - b)	\$ 945,489	\$ (30,920)	\$ 747,031	\$ (405,596)	\$ (478,370)	\$ (1,201,967)	\$ (384,872)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.85%	100.10%	97.56%	101.26%	101.39%	103.38%	101.03%
Covered Payroll	\$ 8,623,652	\$ 8,666,079	\$ 8,619,206	\$ 8,607,854	\$ 9,184,089	\$ 9,580,266	\$ 9,769,259
Net Pension Liability (Asset) as a Percentage of Covered Payroll	10.96%	(0.36)%	8.67%	(4.71)%	(5.21)%	(12.55)%	(3.94)%

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.

Exhibit F-2

Hardeman 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	\$ 767,506	\$ 772,148	\$ 767,538	\$ 766,716	\$ 844,019	\$ 973,460	\$ 1,004,279	\$ 954,165
Less Contributions in Relation to the Actuarially Determined Contribution	(767,506)	(772,148)	(767,538)	(766,716)	(844,019)	(973,460)	(1,004,279)	(954,165)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,623,652	\$ 8,666,079	\$ 8,619,206	\$ 8,607,854	\$ 9,184,089	\$ 9,580,266	\$ 9,769,259	\$ 9,282,582
Contributions as a Percentage of Covered Payroll	8.90%	8.91%	8.90%	8.91%	9.19%	10.16%	10.28%	10.28%

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.

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 33,360	\$ 53,252	\$ 87,659	\$ 44,974	\$ 53,494	\$ 59,044	\$ 62,438
Less Contributions in Relation to the Contractually Required Contribution	(33,360)	(53,252)	(87,659)	(110,316)	(53,494)	(59,044)	(62,438)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (65,342)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 833,981	\$ 1,331,303	\$ 2,121,651	\$ 2,757,924	\$ 2,757,452	\$ 2,908,559	\$ 3,090,990
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.13%	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 (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 1,524,099	\$ 1,509,819	\$ 1,463,697	\$ 1,385,918	\$ 1,360,556	\$ 1,509,799	\$ 1,452,228	\$ 1,354,051
Less Contributions in Relation to the Contractually Required Contribution	(1,524,099)	(1,509,819)	(1,463,697)	(1,385,918)	(1,360,556)	(1,509,799)	(1,452,228)	(1,354,051)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 17,163,279	\$ 16,701,599	\$ 16,191,323	\$ 15,400,814	\$ 14,984,072	\$ 14,431,776	\$ 13,662,423	\$ 13,184,527
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.00%	9.08%	10.46%	10.63%	10.27%

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

Exhibit F-5

Hardeman County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Hardeman 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)	0.393109%	0.302566%	0.333895%	0.315594%	0.260574%	0.230487%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (16,148)	\$ (31,498)	\$ (88,093)	\$ (143,131)	\$ (147,901)	\$ (131,065)
Covered Payroll	\$ 833,981	\$ 1,331,303	\$ 2,121,651	\$ 2,757,924	\$ 2,757,452	\$ 2,908,559
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.15)%	(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 F-6

Hardeman County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Hardeman 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)	0.437282%	0.446147%	0.448539%	0.433697%	0.427912%	0.430463%	0.410473%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (71,056)	\$ 182,757	\$ 2,803,117	\$ (141,899)	\$ (1,505,787)	\$ (4,425,930)	\$ (3,130,159)
Covered Payroll	\$ 17,163,279	\$ 16,701,599	\$ 16,191,323	\$ 15,400,814	\$ 14,984,072	\$ 14,431,776	\$ 13,662,423
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094250%	17.31%	(0.92)%	(10.05)%	(30.67)%	(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.

Exhibit F-7

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

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 256,757	\$ 238,226	\$ 232,128	\$ 202,058
Interest	151,532	181,280	182,267	170,740
Differences Between Actual and Expected Experience	0	(361,660)	82,020	(277,213)
Changes in Assumptions or Other Inputs	(226,325)	160,451	(380,504)	522,925
Benefit Payments	(250,134)	(271,380)	(269,649)	(242,980)
Net Change in Total OPEB Liability	\$ (68,170)	\$ (53,083)	\$ (153,738)	\$ 375,530
Total OPEB Liability, Beginning	5,057,760	4,989,590	4,936,507	4,782,769
Total OPEB Liability, Ending	\$ 4,989,590	\$ 4,936,507	\$ 4,782,769	\$ 5,158,299
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,783,763	\$ 1,778,046	\$ 1,745,424	\$ 1,760,032
Employer Proportionate Share of the Total OPEB Liability	3,205,827	3,158,461	3,037,345	3,398,267
Covered Employee Payroll	\$ 18,762,162	\$ 18,327,272	\$ 17,711,118	\$ 17,011,783
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.09%	17.23%	17.15%	19.98%

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:

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - 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.

HARDEMAN 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	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience, Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

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

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

Exhibit G-1

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

	<u>Special Revenue Funds</u>		
	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 85,629	\$ 85,629
Equity in Pooled Cash and Investments	124,551	0	124,551
Accounts Receivable	0	353	353
Total Assets	<u>\$ 124,551</u>	<u>\$ 85,982</u>	<u>\$ 210,533</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 0	\$ 5,678	\$ 5,678
Total Liabilities	<u>\$ 0</u>	<u>\$ 5,678</u>	<u>\$ 5,678</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 124,551	\$ 0	\$ 124,551
Committed:			
Committed for Finance	0	80,304	80,304
Total Fund Balances	<u>\$ 124,551</u>	<u>\$ 80,304</u>	<u>\$ 204,855</u>
Total Liabilities and Fund Balances	<u>\$ 124,551</u>	<u>\$ 85,982</u>	<u>\$ 210,533</u>

Exhibit G-2

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

	<u>Special Revenue Funds</u>		
	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Fines, Forfeitures, and Penalties	\$ 67,547	\$ 0	\$ 67,547
Charges for Current Services	0	374,453	374,453
Total Revenues	<u>\$ 67,547</u>	<u>\$ 374,453</u>	<u>\$ 442,000</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 368,324	\$ 368,324
Public Safety	146,600	0	146,600
Total Expenditures	<u>\$ 146,600</u>	<u>\$ 368,324</u>	<u>\$ 514,924</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (79,053)</u>	<u>\$ 6,129</u>	<u>\$ (72,924)</u>
Net Change in Fund Balances	\$ (79,053)	\$ 6,129	\$ (72,924)
Fund Balance, July 1, 2020	<u>203,604</u>	<u>74,175</u>	<u>277,779</u>
Fund Balance, June 30, 2021	<u>\$ 124,551</u>	<u>\$ 80,304</u>	<u>\$ 204,855</u>

Exhibit G-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 67,547	\$ 0	\$ 0	\$ 67,547	\$ 117,500	\$ 117,500	\$ (49,953)
Total Revenues	\$ 67,547	\$ 0	\$ 0	\$ 67,547	\$ 117,500	\$ 117,500	\$ (49,953)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 146,600	\$ (96,939)	\$ 2,085	\$ 51,746	\$ 101,000	\$ 101,000	\$ 49,254
Total Expenditures	\$ 146,600	\$ (96,939)	\$ 2,085	\$ 51,746	\$ 101,000	\$ 101,000	\$ 49,254
Excess (Deficiency) of Revenues Over Expenditures	\$ (79,053)	\$ 96,939	\$ (2,085)	\$ 15,801	\$ 16,500	\$ 16,500	\$ (699)
Net Change in Fund Balance	\$ (79,053)	\$ 96,939	\$ (2,085)	\$ 15,801	\$ 16,500	\$ 16,500	\$ (699)
Fund Balance, July 1, 2020	203,604	(96,939)	0	106,665	29,347	29,347	77,318
Fund Balance, June 30, 2021	\$ 124,551	\$ 0	\$ (2,085)	\$ 122,466	\$ 45,847	\$ 45,847	\$ 76,619

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Hardeman 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		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,122,497	\$ 1,090,700	\$ 1,090,700	\$ 31,797
Other Governments and Citizens Groups	714,952	0	714,952	0
Total Revenues	<u>\$ 1,837,449</u>	<u>\$ 1,090,700</u>	<u>\$ 1,805,652</u>	<u>\$ 31,797</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 478,879	\$ 518,879	\$ 519,248	\$ 40,369
Education	630,838	605,000	630,838	0
<u>Interest on Debt</u>				
General Government	493,864	497,425	497,056	3,192
Education	82,912	82,913	82,913	1
<u>Other Debt Service</u>				
General Government	15,609	12,000	15,609	0
Education	1,201	1,250	1,250	49
Total Expenditures	<u>\$ 1,703,303</u>	<u>\$ 1,717,467</u>	<u>\$ 1,746,914</u>	<u>\$ 43,611</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 134,146</u>	<u>\$ (626,767)</u>	<u>\$ 58,738</u>	<u>\$ 75,408</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 690,000	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 690,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 134,146	\$ 63,233	\$ 58,738	\$ 75,408
Fund Balance, July 1, 2020	<u>681,605</u>	<u>500,633</u>	<u>500,633</u>	<u>180,972</u>
Fund Balance, June 30, 2021	<u><u>\$ 815,751</u></u>	<u><u>\$ 563,866</u></u>	<u><u>\$ 559,371</u></u>	<u><u>\$ 256,380</u></u>

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, other governments, and/or other funds. 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, general sessions, and juvenile courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

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

	<u>Custodial Funds</u>		
	<u>Cities -</u>	<u>Constitu -</u>	
	<u>Sales</u>	<u>tional</u>	
	<u>Tax</u>	<u>Officers -</u>	<u>Total</u>
		<u>Custodial</u>	
 <u>ASSETS</u> 			
Cash	\$ 0	\$ 1,659,882	\$ 1,659,882
Due from Other Governments	383,934	0	383,934
Total Assets	<u>\$ 383,934</u>	<u>\$ 1,659,882</u>	<u>\$ 2,043,816</u>
 <u>LIABILITIES</u> 			
Due to Other Taxing Units	\$ 383,934	\$ 0	\$ 383,934
Total Liabilities	<u>\$ 383,934</u>	<u>\$ 0</u>	<u>\$ 383,934</u>
 <u>NET POSITION</u> 			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 1,659,882	\$ 1,659,882
Total Net Position	<u>\$ 0</u>	<u>\$ 1,659,882</u>	<u>\$ 1,659,882</u>

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

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 2,241,622	\$ 0	\$ 2,241,622
Fines/Fees and Other Collections	0	7,443,133	7,443,133
Total Additions	\$ 2,241,622	\$ 7,443,133	\$ 9,684,755
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 2,241,622	\$ 0	\$ 2,241,622
Payments to State	0	2,699,379	2,699,379
Payments to Cities, Individuals, and Others	0	4,649,804	4,649,804
Total Deductions	\$ 2,241,622	\$ 7,349,183	\$ 9,590,805
Change in Net Position	\$ 0	\$ 93,950	\$ 93,950
Net Position July 1, 2020	\$ 0	\$ 0	\$ 0
Restatement - See Note I.D.9	0	1,565,932	1,565,932
Net Position June 30, 2021	\$ 0	\$ 1,659,882	\$ 1,659,882

Hardeman County School Department

This section presents combining and individual fund financial statements for the Hardeman 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 J-1

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

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 21,147,748	\$ 0	\$ 4,398,144	\$ (16,749,604)
Support Services	12,291,607	34,277	377,802	(11,879,528)
Operation of Non-instructional Services	4,166,219	71,021	3,374,531	(720,667)
Total Governmental Activities	<u>\$ 37,605,574</u>	<u>\$ 105,298</u>	<u>\$ 8,150,477</u>	<u>\$ (29,349,799)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 5,917,581
Local Option Sales Taxes				3,167,593
Other Local Taxes				3,996
Grants and Contributions Not Restricted for Specific Programs				23,335,162
Miscellaneous				108,503
Total General Revenues				<u>\$ 32,532,835</u>
Change in Net Position				\$ 3,183,036
Net Position, July 1, 2020				23,326,463
Restatement - See Note I.D.9.				1,242,655
Net Position, June 30, 2021				<u>\$ 27,752,154</u>

Exhibit J-2

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

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Funds Other Govern-mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,207,434	\$ 1,207,434
Equity in Pooled Cash and Investments	6,463,826	840,499	584,969	7,889,294
Inventories	0	0	832	832
Accounts Receivable	9,487	0	3,495	12,982
Due from Other Governments	1,489,270	768,540	48,654	2,306,464
Due from Other Funds	128,170	19,803	29,740	177,713
Property Taxes Receivable	5,959,398	0	0	5,959,398
Allowance for Uncollectible Property Taxes	(198,036)	0	0	(198,036)
Prepaid Items	0	0	2,685	2,685
Restricted Assets	203,147	0	0	203,147
Total Assets	<u>\$ 14,055,262</u>	<u>\$ 1,628,842</u>	<u>\$ 1,877,809</u>	<u>\$ 17,561,913</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 38,630	\$ 0	\$ 14,775	\$ 53,405
Accrued Payroll	464,103	146,295	40,620	651,018
Payroll Deductions Payable	21,641	3,870	50	25,561
Due to Other Funds	49,543	99,669	0	149,212
Total Liabilities	<u>\$ 573,917</u>	<u>\$ 249,834</u>	<u>\$ 55,445</u>	<u>\$ 879,196</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 5,627,087	\$ 0	\$ 0	\$ 5,627,087
Deferred Delinquent Property Taxes	124,213	0	0	124,213
Other Deferred/Unavailable Revenue	285,237	0	0	285,237
Total Deferred Inflows of Resources	<u>\$ 6,036,537</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,036,537</u>

(Continued)

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 832	\$ 832
Restricted:				
Restricted for Education	40,246	876,255	1,196,851	2,113,352
Restricted for Instruction	16,076	0	0	16,076
Restricted for Operation of Non-instructional Services	0	0	624,681	624,681
Restricted for Hybrid Retirement Stabilization Funds	203,147	0	0	203,147
Committed:				
Committed for Education	201,856	0	0	201,856
Assigned:				
Assigned for Education	245,618	502,753	0	748,371
Unassigned	6,737,865	0	0	6,737,865
Total Fund Balances	<u>\$ 7,444,808</u>	<u>\$ 1,379,008</u>	<u>\$ 1,822,364</u>	<u>\$ 10,646,180</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,055,262</u>	<u>\$ 1,628,842</u>	<u>\$ 1,877,809</u>	<u>\$ 17,561,913</u>

Exhibit J-3

Hardeman County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Hardeman 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 J-2)		\$ 10,646,180
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 358,116	
Add: buildings and improvements net of accumulated depreciation	13,104,297	
Add: other capital assets net of accumulated depreciation	<u>1,942,390</u>	15,404,803
(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	\$ (3,398,267)	
Less: compensated absences payable	<u>(214,613)</u>	(3,612,880)
(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	\$ 3,349,317	
Less: deferred inflows of resources related to pensions	(1,871,585)	
Add: deferred outflows of resources related to OPEB	657,154	
Less: deferred inflows of resources related to OPEB	<u>(651,693)</u>	1,483,193
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 160,184	
Add: net pension asset - teacher retirement plan	131,065	
Add: net pension asset - teacher legacy plan	<u>3,130,159</u>	3,421,408
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>409,450</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 27,752,154</u></u>

Exhibit J-4

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

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Funds Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 9,035,448	\$ 0	\$ 0	\$ 9,035,448
Licenses and Permits	2,429	0	0	2,429
Charges for Current Services	25,475	0	71,021	96,496
Other Local Revenues	143,919	0	1,088,289	1,232,208
State of Tennessee	23,090,065	0	22,158	23,112,223
Federal Government	648,587	4,717,840	1,876,238	7,242,665
Total Revenues	\$ 32,945,923	\$ 4,717,840	\$ 3,057,706	\$ 40,721,469
<u>Expenditures</u>				
Current:				
Instruction	\$ 17,841,539	\$ 2,739,417	\$ 0	\$ 20,580,956
Support Services	11,054,148	1,169,452	0	12,223,600
Operation of Non-Instructional Services	1,032,745	234,727	2,975,429	4,242,901
Capital Outlay	32,982	13,433	0	46,415
Debt Service:				
Other Debt Service	714,952	0	0	714,952
Total Expenditures	\$ 30,676,366	\$ 4,157,029	\$ 2,975,429	\$ 37,808,824
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,269,557	\$ 560,811	\$ 82,277	\$ 2,912,645
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 72,371	\$ 0	\$ 27,658	\$ 100,029
Transfers In	432,537	510,474	29,740	972,751
Transfers Out	(510,474)	(462,277)	0	(972,751)
Total Other Financing Sources (Uses)	\$ (5,566)	\$ 48,197	\$ 57,398	\$ 100,029

(Continued)

Exhibit J-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
Net Change in Fund Balances	\$ 2,263,991	\$ 609,008	\$ 139,675	\$ 3,012,674
Restatement	0	0	1,242,655	1,242,655
Fund Balance, July 1, 2020	5,180,817	770,000	440,034	6,390,851
Fund Balance, June 30, 2021	\$ 7,444,808	\$ 1,379,008	\$ 1,822,364	\$ 10,646,180

Exhibit J-5

Hardeman County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hardeman 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 change in fund balances - total governmental funds (Exhibit J-4)		\$ 3,012,674
(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	\$ 283,994	
Less: current-year depreciation expense	<u>(1,715,674)</u>	(1,431,680)
(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	\$ 409,450	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(355,728)</u>	53,722
(3) The contributions of long-term debt (e.g., other loans) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction; however, has any effect on net position.		
Add: principal contributions on other loan to primary government		25,838
(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 net OPEB liability	\$ (360,922)	
Change in deferred outflows related to OPEB	388,649	
Change in deferred inflows related to OPEB	(107,861)	
Change in net pension asset - agent plan	(329,257)	
Change in net pension asset - teacher retirement plan	(16,026)	
Change in net pension asset - teacher legacy pension plan	(1,295,771)	
Change in deferred outflows related to pensions	302,731	
Change in deferred inflows related to pensions	2,963,110	
Change in compensated absences payable	<u>(22,171)</u>	<u>1,522,482</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,183,036</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>ASSETS</u>			
Cash	\$ 10,863	\$ 1,196,571	\$ 1,207,434
Equity in Pooled Cash and Investments	584,969	0	584,969
Inventories	0	832	832
Accounts Receivable	0	3,495	3,495
Due from Other Governments	48,654	0	48,654
Due from Other Funds	29,740	0	29,740
Prepaid Items	0	2,685	2,685
Total Assets	<u>\$ 674,226</u>	<u>\$ 1,203,583</u>	<u>\$ 1,877,809</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 8,875	\$ 5,900	\$ 14,775
Accrued Payroll	40,620	0	40,620
Payroll Deductions Payable	50	0	50
Total Liabilities	<u>\$ 49,545</u>	<u>\$ 5,900</u>	<u>\$ 55,445</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 832	\$ 832
Restricted:			
Restricted for Education	0	1,196,851	1,196,851
Restricted for Operation of Non-instructional Services	624,681	0	624,681
Total Fund Balances	<u>\$ 624,681</u>	<u>\$ 1,197,683</u>	<u>\$ 1,822,364</u>
Total Liabilities and Fund Balances	<u>\$ 674,226</u>	<u>\$ 1,203,583</u>	<u>\$ 1,877,809</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 71,021	\$ 0	\$ 71,021
Other Local Revenues	7,162	1,081,127	1,088,289
State of Tennessee	22,158	0	22,158
Federal Government	1,876,238	0	1,876,238
Total Revenues	<u>\$ 1,976,579</u>	<u>\$ 1,081,127</u>	<u>\$ 3,057,706</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,849,330	\$ 1,126,099	\$ 2,975,429
Total Expenditures	<u>\$ 1,849,330</u>	<u>\$ 1,126,099</u>	<u>\$ 2,975,429</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 127,249</u>	<u>\$ (44,972)</u>	<u>\$ 82,277</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 27,658	\$ 0	\$ 27,658
Transfers In	29,740	0	29,740
Total Other Financing Sources (Uses)	<u>\$ 57,398</u>	<u>\$ 0</u>	<u>\$ 57,398</u>
Net Change in Fund Balances	\$ 184,647	\$ (44,972)	\$ 139,675
Restatement	0	1,242,655	1,242,655
Fund Balance, July 1, 2020	<u>440,034</u>	<u>0</u>	<u>440,034</u>
Fund Balance, June 30, 2021	<u>\$ 624,681</u>	<u>\$ 1,197,683</u>	<u>\$ 1,822,364</u>

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,035,448	\$ 0	\$ 0	\$ 9,035,448	\$ 8,005,504	\$ 8,005,504	\$ 1,029,944
Licenses and Permits	2,429	0	0	2,429	2,000	2,000	429
Charges for Current Services	25,475	0	0	25,475	34,965	34,965	(9,490)
Other Local Revenues	143,919	0	0	143,919	61,500	56,500	87,419
State of Tennessee	23,090,065	0	0	23,090,065	22,177,961	22,323,988	766,077
Federal Government	648,587	0	0	648,587	30,000	196,419	452,168
Total Revenues	\$ 32,945,923	\$ 0	\$ 0	\$ 32,945,923	\$ 30,311,930	\$ 30,619,376	\$ 2,326,547
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 13,181,503	\$ (262,908)	\$ 0	\$ 12,918,595	\$ 13,821,532	\$ 13,198,565	\$ 279,970
Alternative Instruction Program	158,357	0	0	158,357	156,256	156,918	(1,439)
Special Education Program	2,441,332	0	0	2,441,332	2,510,270	2,483,213	41,881
Career and Technical Education Program	1,394,528	(173,851)	9,618	1,230,295	1,154,685	1,144,547	(85,748)
COVID-19 Expenditures	665,819	0	0	665,819	0	665,819	0
<u>Support Services</u>							
Attendance	207,549	0	0	207,549	224,007	202,459	(5,090)
Health Services	408,987	0	0	408,987	422,957	419,295	10,308
Other Student Support	1,094,496	0	16,983	1,111,479	1,063,557	1,060,973	(50,506)
Regular Instruction Program	1,058,430	0	0	1,058,430	1,295,608	1,287,238	228,808
Alternative Instruction Program	33,887	0	0	33,887	31,522	34,132	245
Special Education Program	542,471	0	0	542,471	442,016	516,175	(26,296)
Career and Technical Education Program	55,101	0	0	55,101	53,857	56,826	1,725
Technology	476,186	(84,226)	13,735	405,695	436,688	436,238	30,543
Other Programs	90,555	0	0	90,555	0	90,555	0
Board of Education	429,401	0	0	429,401	552,889	552,889	123,488
Director of Schools	424,620	(1,175)	3,892	427,337	419,446	419,423	(7,914)
Office of the Principal	1,766,015	0	0	1,766,015	1,807,732	1,742,559	(23,456)
Fiscal Services	179,336	(541)	0	178,795	195,279	201,979	23,184

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 89,380	\$ 0	\$ 0	\$ 89,380	\$ 98,298	\$ 98,298	\$ 8,918
Operation of Plant	1,823,049	0	0	1,823,049	1,995,065	1,995,065	172,016
Maintenance of Plant	851,917	(1,054)	11,820	862,683	811,405	809,808	(52,875)
Transportation	1,110,966	(4,392)	186	1,106,760	1,310,187	1,235,203	128,443
COVID-19 Expenditures	411,802	0	0	411,802	0	411,802	0
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,026,503	0	0	1,026,503	1,027,267	1,027,266	763
COVID-19 Expenditures	6,242	0	0	6,242	0	6,242	0
<u>Capital Outlay</u>							
Regular Capital Outlay	32,982	(15,849)	189,384	206,517	0	0	(206,517)
<u>Principal on Debt</u>							
Education	0	0	0	0	630,823	16	16
<u>Interest on Debt</u>							
Education	0	0	0	0	82,915	0	0
<u>Other Debt Service</u>							
Education	714,952	0	0	714,952	1,500	715,254	302
Total Expenditures	\$ 30,676,366	\$ (543,996)	\$ 245,618	\$ 30,377,988	\$ 30,545,761	\$ 30,968,757	\$ 590,769
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 2,269,557	\$ 543,996	\$ (245,618)	\$ 2,567,935	\$ (233,831)	\$ (349,381)	\$ 2,917,316
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 72,371	\$ 0	\$ 0	\$ 72,371	\$ 0	\$ 0	\$ 72,371
Transfers In	432,537	0	0	432,537	50,000	55,000	377,537
Transfers Out	(510,474)	0	0	(510,474)	0	(510,700)	226
Total Other Financing Sources	\$ (5,566)	\$ 0	\$ 0	\$ (5,566)	\$ 50,000	\$ (455,700)	\$ 450,134

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 2,263,991	\$ 543,996	\$ (245,618)	\$ 2,562,369	\$ (183,831)	\$ (805,081)	\$ 3,367,450
Fund Balance, July 1, 2020	5,180,817	(543,996)	0	4,636,821	8,088,381	8,088,381	(3,451,560)
Fund Balance, June 30, 2021	\$ 7,444,808	\$ 0	\$ (245,618)	\$ 7,199,190	\$ 7,904,550	\$ 7,283,300	\$ (84,110)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 4,717,840	\$ 0	\$ 0	\$ 4,717,840	\$ 10,588,069	\$ 11,260,571	\$ (6,542,731)
Total Revenues	\$ 4,717,840	\$ 0	\$ 0	\$ 4,717,840	\$ 10,588,069	\$ 11,260,571	\$ (6,542,731)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,170,101	\$ 0	\$ 31,841	\$ 1,201,942	\$ 2,973,446	\$ 2,414,107	\$ 1,212,165
Special Education Program	743,244	0	24	743,268	940,110	999,955	256,687
Career and Technical Education Program	108,644	0	562	109,206	1,259,327	1,263,204	1,153,998
COVID-19 Expenditures	717,428	(20,000)	0	697,428	0	697,428	0
<u>Support Services</u>							
Attendance	0	0	0	0	3,574	0	0
Health Services	0	0	12,261	12,261	432,866	366,833	354,572
Other Student Support	56,856	0	0	56,856	798,547	783,199	726,343
Regular Instruction Program	590,720	0	0	590,720	1,167,030	1,145,449	554,729
Special Education Program	239,328	0	0	239,328	245,753	264,499	25,171
Career and Technical Education Program	1,893	0	0	1,893	40,616	41,243	39,350
Technology	0	0	0	0	415,489	401,516	401,516
Office of the Principal	0	0	0	0	22,404	0	0
Operation of Plant	0	0	0	0	0	6,282	6,282
Maintenance of Plant	0	0	0	0	1,596	32,128	32,128
Transportation	123,431	0	0	123,431	316,738	400,446	277,015
COVID-19 Expenditures	157,224	0	0	157,224	0	157,224	0
<u>Operation of Non-Instructional Services</u>							
Food Service	0	0	0	0	29,740	0	0
Community Services	234,727	0	0	234,727	290,520	290,520	55,793
<u>Capital Outlay</u>							
Regular Capital Outlay	0	0	831,567	831,567	1,299,338	1,285,905	454,338
COVID-19 Expenditures	13,433	0	0	13,433	0	13,433	0
Total Expenditures	\$ 4,157,029	\$ (20,000)	\$ 876,255	\$ 5,013,284	\$ 10,237,094	\$ 10,563,371	\$ 5,550,087

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 560,811	\$ 20,000	\$ (876,255)	\$ (295,444)	\$ 350,975	\$ 697,200	\$ (992,644)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 510,474	\$ 0	\$ 0	\$ 510,474	\$ 5,357	\$ 18,932	\$ 491,542
Transfers Out	(462,277)	0	0	(462,277)	(356,331)	(716,131)	253,854
Total Other Financing Sources	\$ 48,197	\$ 0	\$ 0	\$ 48,197	\$ (350,974)	\$ (697,199)	\$ 745,396
Net Change in Fund Balance	\$ 609,008	\$ 20,000	\$ (876,255)	\$ (247,247)	\$ 1	\$ 1	\$ (247,248)
Fund Balance, July 1, 2020	770,000	(20,000)	0	750,000	770,000	770,000	(20,000)
Fund Balance, June 30, 2021	\$ 1,379,008	\$ 0	\$ (876,255)	\$ 502,753	\$ 770,001	\$ 770,001	\$ (267,248)

Exhibit J-10

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 71,021	\$ 0	\$ 71,021	\$ 197,990	\$ 197,990	\$ (126,969)
Other Local Revenues	7,162	0	7,162	4,500	4,500	2,662
State of Tennessee	22,158	0	22,158	22,000	22,000	158
Federal Government	1,876,238	0	1,876,238	2,311,530	2,311,530	(435,292)
Total Revenues	\$ 1,976,579	\$ 0	\$ 1,976,579	\$ 2,536,020	\$ 2,536,020	\$ (559,441)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 1,819,590	\$ (70)	\$ 1,819,520	\$ 2,543,682	\$ 2,513,942	\$ 694,422
COVID-19 Expenditures	29,740	0	29,740	0	29,740	0
Total Expenditures	\$ 1,849,330	\$ (70)	\$ 1,849,260	\$ 2,543,682	\$ 2,543,682	\$ 694,422
Excess (Deficiency) of Revenues Over Expenditures	\$ 127,249	\$ 70	\$ 127,319	\$ (7,662)	\$ (7,662)	\$ 134,981
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 27,658	\$ 0	\$ 27,658	\$ 0	\$ 0	\$ 27,658
Transfers In	29,740	0	29,740	0	0	29,740
Total Other Financing Sources	\$ 57,398	\$ 0	\$ 57,398	\$ 0	\$ 0	\$ 57,398
Net Change in Fund Balance	\$ 184,647	\$ 70	\$ 184,717	\$ (7,662)	\$ (7,662)	\$ 192,379
Fund Balance, July 1, 2020	440,034	(70)	439,964	529,519	529,519	(89,555)
Fund Balance, June 30, 2021	\$ 624,681	\$ 0	\$ 624,681	\$ 521,857	\$ 521,857	\$ 102,824

MISCELLANEOUS SCHEDULES

Exhibit K-1

Hardeman County, Tennessee
Schedule of Changes in Long-term Note, Other Loan, and Bonds
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	Paid and/or Matured During Period	Outstanding 6-30-21
<u>NOTE PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Capital Outlay Note, Series 2015	\$ 800,000	2.59 %	10-21-15	10-21-27	\$ 560,115	\$ 63,879	\$ 496,236
Total Notes Payable					\$ 560,115	\$ 63,879	\$ 496,236
<u>OTHER LOAN PAYABLE</u>							
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>							
Energy Efficient School Initiative	127,611	(1) 0	4-20-12	8-5-20	\$ 25,838	\$ 25,838	\$ 0
Total Other Loan Payable					\$ 25,838	\$ 25,838	\$ 0
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation School Bonds, Series 2013	2,815,000	2 to 3	6-12-13	4-1-30	\$ 1,795,000	\$ 160,000	\$ 1,635,000
General Obligation Refunding Bonds, Series 2015	3,940,000	2	4-1-15	4-1-24	1,835,000	445,000	1,390,000
General Obligation Refunding Bonds, Series 2016	8,820,000	2 to 2.75	8-22-16	6-1-35	7,870,000	390,000	7,480,000
General Obligation Refunding Bonds, Series 2017	9,040,000	3.25 to 5	6-9-17	6-1-43	8,710,000	25,000	8,685,000
Total Bonds Payable					\$ 20,210,000	\$ 1,020,000	\$ 19,190,000

(1) Total amount approved was \$500,000, of which \$372,389 remains available for draws as of June 30, 2021.

Exhibit K-2

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

Year Ending June 30	Note		
	Principal	Interest	Total
2022	\$ 65,573	\$ 12,852	\$ 78,425
2023	67,272	11,154	78,426
2024	69,014	9,412	78,426
2025	70,780	7,645	78,425
2026	72,635	5,791	78,426
2027	74,516	3,910	78,426
2028	76,446	1,980	78,426
Total	\$ 496,236	\$ 52,744	\$ 548,980

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 1,045,000	\$ 541,081	\$ 1,586,081
2023	1,080,000	519,429	1,599,429
2024	1,105,000	496,656	1,601,656
2025	665,000	473,805	1,138,805
2026	680,000	459,230	1,139,230
2027	710,000	444,355	1,154,355
2028	740,000	427,930	1,167,930
2029	760,000	409,555	1,169,555
2030	795,000	390,680	1,185,680
2031	620,000	370,242	990,242
2032	635,000	354,480	989,480
2033	675,000	338,343	1,013,343
2034	710,000	321,167	1,031,167
2035	740,000	303,118	1,043,118
2036	865,000	282,567	1,147,567
2037	910,000	252,292	1,162,292
2038	945,000	221,808	1,166,808
2039	1,010,000	189,678	1,199,678
2040	1,045,000	155,337	1,200,337
2041	1,100,000	119,808	1,219,808
2042	1,135,000	81,857	1,216,857
2043	1,220,000	42,700	1,262,700
Total	\$ 19,190,000	\$ 7,196,118	\$ 26,386,118

Exhibit K-3

Hardeman County, Tennessee
Schedule of Transfers
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2021

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED HARDEMAN COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow funds	\$ 500,000
"	"	School to Work program cost share	5,357
"	"	Save the Children program cost share	5,117
School Federal Projects	General Purpose School	Indirect costs	128,170
"	"	Comprehensive Coordinated Early Intervening Services	19,896
"	"	Covid expenses	284,471
"	Central Cafeteria	"	<u>29,740</u>
Total Transfers Discretely Presented Hardeman County School Department			<u>\$ 972,751</u>

Exhibit K-4

Hardeman County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hardeman 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, <i>TCA</i> , and Chapter 90, Private Acts of 1989	\$ 98,420 (1)	\$ 400,000	Tennessee Risk Management Trust
Highway Superintendent	Section 8-24-102, <i>TCA</i>	88,735	400,000	"
Director of Schools: Bobby Doyle (7-1-20 through 11-13-20)	State Board of Education and County Board of Education	39,203	400,000	"
Warner Ross (11-13-20 through 6-30-21)	State Board of Education and County Board of Education	77,351	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	80,668	400,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	80,668	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	80,668	400,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	80,668	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	80,668	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	80,668	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	89,535 (2)	400,000	"
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	"
Employee Fidelity - School Department			400,000	"

(1) Includes a purchasing agent supplement of \$3,600 and a committee member fee of \$1,650.

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

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,796,192	\$ 0	\$ 0	\$ 0	\$ 300,696	\$ 4,096,888
Trustee's Collections - Prior Year	113,571	0	0	0	8,957	122,528
Trustee's Collections - Bankruptcy	2,578	0	0	0	204	2,782
Circuit Clerk/Clerk and Master Collections - Prior Years	85,366	0	0	0	6,111	91,477
Interest and Penalty	23,557	0	0	0	1,864	25,421
Payments in-Lieu-of Taxes - Other	225,095	0	0	0	4,994	230,089
<u>County Local Option Taxes</u>						
Local Option Sales Tax	359,077	0	0	0	0	359,077
Hotel/Motel Tax	34,785	0	0	0	0	34,785
Wheel Tax	0	0	0	799,671	799,671	1,599,342
Litigation Tax - General	85,864	0	0	0	0	85,864
Litigation Tax - Jail, Workhouse, or Courthouse	67,261	0	0	0	0	67,261
Business Tax	234,908	0	0	0	0	234,908
<u>Statutory Local Taxes</u>						
Bank Excise Tax	66,592	0	0	0	0	66,592
Wholesale Beer Tax	74,162	0	0	0	0	74,162
Total Local Taxes	\$ 5,169,008	\$ 0	\$ 0	\$ 799,671	\$ 1,122,497	\$ 7,091,176
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 3,255	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,255
Cable TV Franchise	8,359	0	0	0	0	8,359
<u>Permits</u>						
Beer Permits	855	0	0	0	0	855
Building Permits	6,150	0	0	0	0	6,150

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Other Permits	\$ 450	\$ 0	\$ 0	\$ 20	\$ 0	\$ 470
Total Licenses and Permits	\$ 19,069	\$ 0	\$ 0	\$ 20	\$ 0	\$ 19,089
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 35,793	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,793
Officers Costs	12,447	0	0	0	0	12,447
Drug Control Fines	29,790	30,731	0	0	0	60,521
Jail Fees	2,087	0	0	0	0	2,087
DUI Treatment Fines	3,190	0	0	0	0	3,190
Data Entry Fee - Circuit Court	1,578	0	0	0	0	1,578
Courtroom Security Fee	3,013	0	0	0	0	3,013
Victims Assistance Assessments	2,536	0	0	0	0	2,536
<u>Criminal Court</u>						
DUI Treatment Fines	618	0	0	0	0	618
<u>General Sessions Court</u>						
Fines	23,498	0	0	0	0	23,498
Fines for Littering	500	0	0	0	0	500
Officers Costs	41,137	0	0	0	0	41,137
Game and Fish Fines	556	0	0	0	0	556
Drug Control Fines	15,824	17,304	0	0	0	33,128
Drug Court Fees	6,217	0	0	0	0	6,217
Jail Fees	6,694	0	0	0	0	6,694
DUI Treatment Fines	1,372	2,384	0	0	0	3,756
Data Entry Fee - General Sessions Court	9,232	0	0	0	0	9,232

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 58,123	\$ 0	\$ 0	\$ 0	\$ 0	\$ 58,123
Victims Assistance Assessments	3,234	0	0	0	0	3,234
<u>Juvenile Court</u>						
Fines	123	0	0	0	0	123
Officers Costs	724	0	0	0	0	724
Data Entry Fee - Juvenile Court	401	0	0	0	0	401
<u>Chancery Court</u>						
Officers Costs	1,573	0	0	0	0	1,573
Data Entry Fee - Chancery Court	4,224	0	0	0	0	4,224
Courtroom Security Fee	4,092	0	0	0	0	4,092
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	17,128	0	0	0	17,128
Total Fines, Forfeitures, and Penalties	\$ 268,576	\$ 67,547	\$ 0	\$ 0	\$ 0	\$ 336,123
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 1,464,052	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,464,052
Work Release Charges for Board	2,952	0	0	0	0	2,952
<u>Fees</u>						
Airport Fees	16,211	0	0	0	0	16,211
Copy Fees	108	0	0	0	0	108
Greenbelt Late Application Fee	550	0	0	0	0	550
Telephone Commissions	44,800	0	0	0	0	44,800
Constitutional Officers' Fees and Commissions	0	0	374,453	0	0	374,453
Data Processing Fee - Register	7,590	0	0	0	0	7,590

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Sheriff	\$ 3,254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,254
Sexual Offender Registration Fee - Sheriff	4,950	0	0	0	0	4,950
Data Processing Fee - County Clerk	6,289	0	0	0	0	6,289
Vehicle Registration Reinstatement Fees	1,935	0	0	0	0	1,935
Total Charges for Current Services	\$ 1,552,691	\$ 0	\$ 374,453	\$ 0	\$ 0	\$ 1,927,144
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 39,848	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,848
Lease/Rentals	11,258	0	0	0	0	11,258
Commissary Sales	55,416	0	0	0	0	55,416
Sale of Gasoline	45,488	0	0	0	0	45,488
Sale of Maps	260	0	0	0	0	260
Miscellaneous Refunds	12,616	0	0	19,270	0	31,886
<u>Nonrecurring Items</u>						
Sale of Equipment	12,828	0	0	38,026	0	50,854
Sale of Property	80,659	0	0	0	0	80,659
<u>Other Local Revenues</u>						
Other Local Revenues	8,108	0	0	0	0	8,108
Total Other Local Revenues	\$ 266,481	\$ 0	\$ 0	\$ 57,296	\$ 0	\$ 323,777
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 111,796	\$ 0	\$ 0	\$ 0	\$ 0	\$ 111,796
Trustee	217,462	0	0	0	0	217,462

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	\$ 86,619	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,619
General Sessions Court Clerk	202,050	0	0	0	0	202,050
Clerk and Master	106,346	0	0	0	0	106,346
Juvenile Court Clerk	8,102	0	0	0	0	8,102
Register	99,986	0	0	0	0	99,986
Sheriff	11,662	0	0	0	0	11,662
Total Fees Received From County Officials	\$ 844,023	\$ 0	\$ 0	\$ 0	\$ 0	\$ 844,023
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Airport Maintenance Program	29,748	0	0	0	0	29,748
<u>Health and Welfare Grants</u>						
Health Department Programs	99,840	0	0	0	0	99,840
Other Health and Welfare Grants	5,000	0	0	0	0	5,000
<u>Public Works Grants</u>						
State Aid Program	0	0	0	543,804	0	543,804
Litter Program	17,556	0	0	0	0	17,556
<u>Other State Revenues</u>						
Income Tax	18,828	0	0	0	0	18,828
Beer Tax	18,407	0	0	0	0	18,407
Vehicle Certificate of Title Fees	2,750	0	0	0	0	2,750
Alcoholic Beverage Tax	102,186	0	0	0	0	102,186
State Revenue Sharing - T.V.A.	867,772	0	0	0	0	867,772
State Revenue Sharing - Telecommunications	39,010	0	0	0	0	39,010

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Shared Sports Gaming Privilege Tax	\$ 5,610	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,610
Contracted Prisoner Boarding	352,638	0	0	0	0	352,638
Gasoline and Motor Fuel Tax	0	0	0	2,751,804	0	2,751,804
Petroleum Special Tax	0	0	0	19,664	0	19,664
Registrar's Salary Supplement	15,164	0	0	0	0	15,164
Other State Grants	1,494,919	0	0	0	0	1,494,919
Other State Revenues	38,070	0	0	0	0	38,070
Total State of Tennessee	\$ 3,116,498	\$ 0	\$ 0	\$ 3,315,272	\$ 0	\$ 6,431,770
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 6,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,700
COVID-19 Grant #1	378,300	0	0	0	0	378,300
COVID-19 Grant #2	35,254	0	0	0	0	35,254
COVID-19 Grant #4	20,797	0	0	0	0	20,797
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	151,422	0	0	0	0	151,422
Total Federal Government	\$ 592,473	\$ 0	\$ 0	\$ 0	\$ 0	\$ 592,473
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 79,289	\$ 0	\$ 0	\$ 0	\$ 714,952	\$ 794,241
Contracted Services	198,039	0	0	0	0	198,039
<u>Other</u>						
Other	1,430	0	0	0	0	1,430
Total Other Governments and Citizens Groups	\$ 278,758	\$ 0	\$ 0	\$ 0	\$ 714,952	\$ 993,710
Total	\$ 12,107,577	\$ 67,547	\$ 374,453	\$ 4,172,259	\$ 1,837,449	\$ 18,559,285

Exhibit K-6

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,487,592	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,487,592
Trustee's Collections - Prior Year	164,165	0	0	0	0	164,165
Trustee's Collections - Bankruptcy	4,133	0	0	0	0	4,133
Circuit Clerk/Clerk and Master Collections - Prior Years	123,401	0	0	0	0	123,401
Interest and Penalty	34,835	0	0	0	0	34,835
Payments in-Lieu-of Taxes - Other	91,141	0	0	0	0	91,141
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,126,185	0	0	0	0	3,126,185
Mixed Drink Tax	3,590	0	0	0	0	3,590
Other County Local Option Taxes	406	0	0	0	0	406
Total Local Taxes	\$ 9,035,448	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,035,448
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,429	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,429
Total Licenses and Permits	\$ 2,429	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,429
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 1,918	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,918
<u>Fees</u>						
Vending Machine Collections	12,050	0	0	0	0	12,050
<u>Education Charges</u>						
Lunch Payments - Adults	0	0	15,288	0	0	15,288

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Income from Breakfast	\$ 0	\$ 0	\$ 393	\$ 0	\$ 393
A la Carte Sales	0	0	55,340	0	55,340
Receipts from Individual Schools	9,664	0	0	0	9,664
Other Charges for Services	1,843	0	0	0	1,843
Total Charges for Current Services	<u>\$ 25,475</u>	<u>\$ 0</u>	<u>\$ 71,021</u>	<u>\$ 0</u>	<u>\$ 96,496</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 33,368	\$ 0	\$ 408	\$ 0	\$ 33,776
Lease/Rentals	8,802	0	0	0	8,802
Retirees' Insurance Payments	35,792	0	0	0	35,792
Miscellaneous Refunds	30,341	0	4,754	0	35,095
Expenditure Credits	10,707	0	0	0	10,707
<u>Other Local Revenues</u>					
Other Local Revenues	24,909	0	2,000	1,081,127	1,108,036
Total Other Local Revenues	<u>\$ 143,919</u>	<u>\$ 0</u>	<u>\$ 7,162</u>	<u>\$ 1,081,127</u>	<u>\$ 1,232,208</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 90,555	\$ 0	\$ 0	\$ 0	\$ 90,555
<u>State Education Funds</u>					
Basic Education Program	20,992,500	0	0	0	20,992,500
Early Childhood Education	1,028,779	0	0	0	1,028,779
School Food Service	0	0	22,158	0	22,158

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
Other State Education Funds	\$ 371,366	\$ 0	\$ 0	\$ 0	\$ 0	371,366
Coordinated School Health	100,000	0	0	0	0	100,000
Career Ladder Program	90,161	0	0	0	0	90,161
<u>Other State Revenues</u>						
Other State Grants	335,799	0	0	0	0	335,799
Safe Schools	80,905	0	0	0	0	80,905
Total State of Tennessee	<u>\$ 23,090,065</u>	<u>\$ 0</u>	<u>\$ 22,158</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>23,112,223</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,158,966	\$ 0	\$ 0	1,158,966
USDA - Commodities	0	0	103,219	0	0	103,219
Breakfast	0	0	569,683	0	0	569,683
USDA - Other	0	0	44,370	0	0	44,370
Vocational Education - Basic Grants to States	0	118,097	0	0	0	118,097
Title I Grants to Local Education Agencies	0	1,311,454	0	0	0	1,311,454
Special Education - Grants to States	51,161	941,599	0	0	0	992,760
Special Education Preschool Grants	0	39,869	0	0	0	39,869
Rural Education	0	100,538	0	0	0	100,538
21st Century Community Learning Centers	0	237,976	0	0	0	237,976
Eisenhower Professional Development State Grants	0	251,747	0	0	0	251,747
COVID-19 Grant #1	0	863,160	0	0	0	863,160
COVID-19 Grant #2	166,419	0	0	0	0	166,419
COVID-19 Grant #3	0	60,000	0	0	0	60,000

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant #4	\$ 245,507	\$ 0	\$ 0	\$ 0	\$ 245,507
COVID-19 Grant B	0	414,571	0	0	414,571
COVID-19 Grant D	0	51,517	0	0	51,517
COVID-19 Grant E	0	1,401	0	0	1,401
Other Federal through State	185,500	325,911	0	0	511,411
Total Federal Government	<u>\$ 648,587</u>	<u>\$ 4,717,840</u>	<u>\$ 1,876,238</u>	<u>\$ 0</u>	<u>\$ 7,242,665</u>
Total	<u>\$ 32,945,923</u>	<u>\$ 4,717,840</u>	<u>\$ 1,976,579</u>	<u>\$ 1,081,127</u>	<u>\$ 40,721,469</u>

Exhibit K-7

Hardeman 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	\$	30,400	
Social Security		1,826	
Unemployment Compensation		2	
Employer Medicare		427	
Travel		1,961	
Other Charges		2,287	
Total County Commission			\$ 36,903

Board of Equalization

Board and Committee Members Fees	\$	850	
Total Board of Equalization			850

Beer Board

Board and Committee Members Fees	\$	250	
Social Security		9	
Employer Medicare		2	
Total Beer Board			261

Budget and Finance Committee

Board and Committee Members Fees	\$	750	
Social Security		25	
Employer Medicare		6	
Total Budget and Finance Committee			781

Other Boards and Committees

Board and Committee Members Fees	\$	3,900	
Social Security		87	
Employer Medicare		20	
Total Other Boards and Committees			4,007

County Mayor/Executive

County Official/Administrative Officer	\$	93,170	
Secretary(ies)		64,326	
Educational Incentive - Other County Employees		1,600	
Social Security		9,867	
Pensions		16,191	
Employee and Dependent Insurance		27,467	
Unemployment Compensation		61	
Employer Medicare		2,308	
Communication		5,604	
Maintenance and Repair Services - Office Equipment		646	
Postal Charges		1,984	
Travel		3,520	
Office Supplies		3,890	
Other Charges		479	
Total County Mayor/Executive			231,113

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	18,000	
Social Security		1,116	
Pensions		1,850	
Employee and Dependent Insurance		6,933	
Unemployment Compensation		21	
Employer Medicare		261	
Legal Services		461,137	
Total County Attorney			\$ 489,318

Election Commission

County Official/Administrative Officer	\$	72,602	
Clerical Personnel		24,810	
Overtime Pay		750	
Other Salaries and Wages		3,205	
Board and Committee Members Fees		4,400	
Election Workers		40,000	
Social Security		6,272	
Pensions		10,105	
Employee and Dependent Insurance		13,627	
Unemployment Compensation		52	
Employer Medicare		1,467	
Communication		1,364	
Legal Notices, Recording, and Court Costs		2,538	
Postal Charges		1,905	
Printing, Stationery, and Forms		4,000	
Rentals		16,244	
Other Contracted Services		15,192	
Custodial Supplies		400	
Office Supplies		2,465	
Utilities		3,350	
Total Election Commission			224,748

Register of Deeds

County Official/Administrative Officer	\$	80,668	
Deputy(ies)		54,297	
Part-time Personnel		3,539	
Educational Incentive - Other County Employees		1,700	
Social Security		8,638	
Pensions		12,681	
Employee and Dependent Insurance		18,536	
Unemployment Compensation		68	
Employer Medicare		2,020	
Communication		2,565	
Data Processing Services		7,493	
Dues and Memberships		125	
Maintenance Agreements		755	
Postal Charges		77	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Travel	\$	1,121	
Office Supplies		1,971	
Total Register of Deeds			\$ 196,254

Development

County Official/Administrative Officer	\$	37,050	
Social Security		2,294	
Pensions		3,809	
Employee and Dependent Insurance		6,926	
Unemployment Compensation		21	
Employer Medicare		536	
Communication		1,886	
Contracts with Government Agencies		13,626	
Rentals		674	
Travel		22	
Office Supplies		646	
Other Charges		51	
Total Development			67,541

County Buildings

Supervisor/Director	\$	12,461	
Custodial Personnel		31,792	
Social Security		2,697	
Pensions		3,268	
Employee and Dependent Insurance		13,578	
Unemployment Compensation		60	
Employer Medicare		631	
Communication		1,644	
Maintenance and Repair Services - Buildings		16,528	
Maintenance and Repair Services - Equipment		9,489	
Maintenance and Repair Services - Vehicles		1,073	
Other Contracted Services		2,166	
Custodial Supplies		1,897	
Gasoline		1,604	
Office Supplies		35	
Uniforms		1,159	
Utilities		45,625	
Other Supplies and Materials		630	
Other Charges		1,156	
Building Improvements		194,162	
Furniture and Fixtures		487	
Total County Buildings			342,142

Other Facilities

Supervisor/Director	\$	19,789	
Social Security		1,230	
Pensions		1,079	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Employee and Dependent Insurance	\$	4,627	
Unemployment Compensation		42	
Employer Medicare		288	
Communication		705	
Garage Supplies		836	
Gasoline		1,049	
Lubricants		55	
Uniforms		526	
Vehicle Parts		97	
Other Supplies and Materials		435	
Total Other Facilities			\$ 30,758

Other General Administration

Land	\$	15,773	
Total Other General Administration			15,773

Preservation of Records

Communication	\$	1,389	
Maintenance and Repair Services - Buildings		69	
Office Supplies		95	
Utilities		3,311	
Total Preservation of Records			4,864

Finance

Accounting and Budgeting

Accountants/Bookkeepers	\$	17,399	
Social Security		1,082	
Unemployment Compensation		21	
Employer Medicare		253	
Total Accounting and Budgeting			18,755

Purchasing

County Official/Administrative Officer	\$	3,600	
Social Security		223	
Pensions		370	
Employer Medicare		52	
Total Purchasing			4,245

Property Assessor's Office

County Official/Administrative Officer	\$	80,668	
Educational Incentive - Other County Employees		3,250	
Social Security		4,760	
Pensions		8,293	
Employee and Dependent Insurance		6,933	
Employer Medicare		1,113	
Communication		2,542	
Data Processing Services		14,944	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Dues and Memberships	\$	1,700	
Postal Charges		372	
Travel		404	
Other Contracted Services		13,905	
Office Supplies		803	
Other Supplies and Materials		549	
Office Equipment		613	
Total Property Assessor's Office			\$ 140,849

Reappraisal Program

Deputy(ies)	\$	104,456	
Other Salaries and Wages		720	
Social Security		6,448	
Pensions		10,738	
Employee and Dependent Insurance		27,733	
Unemployment Compensation		86	
Employer Medicare		1,508	
Advertising		80	
Data Processing Services		3,916	
Legal Services		236	
Maintenance and Repair Services - Vehicles		104	
Postal Charges		1,375	
Gasoline		802	
Other Supplies and Materials		565	
Total Reappraisal Program			158,767

County Trustee's Office

Educational Incentive - Other County Employees	\$	750	
Social Security		9,590	
Pensions		12,200	
Employee and Dependent Insurance		13,840	
Unemployment Compensation		87	
Employer Medicare		2,243	
Communication		2,572	
Postal Charges		6,255	
Other Contracted Services		3,676	
Office Supplies		2,832	
Total County Trustee's Office			54,045

County Clerk's Office

Educational Incentive - Other County Employees	\$	4,900	
Social Security		12,946	
Pensions		20,668	
Employee and Dependent Insurance		34,449	
Unemployment Compensation		116	
Employer Medicare		3,028	
Communication		3,603	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	11,499	
Postal Charges		7,000	
Office Supplies		1,790	
Other Supplies and Materials		2,422	
Total County Clerk's Office			\$ 102,421

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	80,668	
Deputy(ies)		53,778	
Clerical Personnel		120,751	
Part-time Personnel		7,135	
Educational Incentive - Other County Employees		1,600	
Jury and Witness Expense		4,803	
Other Per Diem and Fees		451	
Social Security		16,342	
Pensions		24,224	
Employee and Dependent Insurance		50,610	
Unemployment Compensation		194	
Employer Medicare		3,822	
Communication		587	
Dues and Memberships		280	
Maintenance and Repair Services - Office Equipment		600	
Postal Charges		3,553	
Office Supplies		4,706	
Office Equipment		1,685	
Total Circuit Court			375,789

General Sessions Court

Judge(s)	\$	117,561	
Social Security		7,228	
Pensions		12,085	
Employee and Dependent Insurance		6,933	
Employer Medicare		1,691	
Dues and Memberships		275	
Travel		100	
Total General Sessions Court			145,873

Chancery Court

County Official/Administrative Officer	\$	80,668	
Deputy(ies)		82,644	
Educational Incentive - Other County Employees		4,900	
Social Security		10,401	
Pensions		16,788	
Employee and Dependent Insurance		27,715	
Unemployment Compensation		84	
Employer Medicare		2,432	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Communication	\$	1,987	
Dues and Memberships		185	
Legal Notices, Recording, and Court Costs		2,500	
Postal Charges		5,543	
Travel		883	
Office Supplies		3,994	
Office Equipment		1,081	
Total Chancery Court			\$ 241,805

Juvenile Court

Other Salaries and Wages	\$	39,349	
Social Security		2,440	
Pensions		4,045	
Employee and Dependent Insurance		6,915	
Unemployment Compensation		21	
Employer Medicare		571	
Communication		595	
Contracts with Government Agencies		8,004	
Travel		1,010	
Drug Treatment		551	
Office Supplies		127	
Total Juvenile Court			63,628

Courtroom Security

Deputy(ies)	\$	67,651	
Overtime Pay		72	
Social Security		3,791	
Pensions		6,962	
Employee and Dependent Insurance		12,984	
Unemployment Compensation		39	
Employer Medicare		887	
Total Courtroom Security			92,386

Victim Assistance Programs

Other Per Diem and Fees	\$	3,391	
Total Victim Assistance Programs			3,391

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	88,735	
Assistant(s)		53,595	
Deputy(ies)		674,676	
Investigator(s)		164,190	
Salary Supplements		20,800	
Secretary(ies)		65,550	
Part-time Personnel		10,536	
Overtime Pay		63,201	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

In-service Training	\$	10,477	
Social Security		70,023	
Pensions		102,945	
Employee and Dependent Insurance		174,137	
Unemployment Compensation		665	
Employer Medicare		16,376	
Communication		33,355	
Dues and Memberships		2,000	
Legal Services		963	
Maintenance and Repair Services - Vehicles		59,353	
Postal Charges		1,449	
Towing Services		945	
Travel		4,169	
Other Contracted Services		2,070	
Gasoline		113,986	
Office Supplies		3,864	
Uniforms		5,797	
Other Charges		10,957	
Communication Equipment		945	
Law Enforcement Equipment		1,954	
Motor Vehicles		75,375	
Office Equipment		3,040	
Other Equipment		381	
Total Sheriff's Department			\$ 1,836,509

Special Patrols

Deputy(ies)	\$	110,609	
Social Security		6,763	
Pensions		11,371	
Employee and Dependent Insurance		19,867	
Unemployment Compensation		62	
Employer Medicare		1,582	
Total Special Patrols			150,254

Workhouse

Medical Personnel	\$	71,350	
Guards		646,508	
Maintenance Personnel		33,794	
Overtime Pay		8,644	
Social Security		46,945	
Pensions		56,634	
Employee and Dependent Insurance		138,774	
Unemployment Compensation		913	
Employer Medicare		10,979	
Communication		2,711	
Maintenance and Repair Services - Buildings		25,098	
Maintenance and Repair Services - Equipment		11,260	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Medical and Dental Services	\$	25,836	
Other Contracted Services		6,000	
Custodial Supplies		19,021	
Drugs and Medical Supplies		15,146	
Electricity		199,965	
Food Preparation Supplies		883	
Food Supplies		176,604	
Other Supplies and Materials		4,690	
In Service/Staff Development		402	
Other Charges		3,318	
Communication Equipment		1,583	
Office Equipment		2,636	
Total Workhouse			\$ 1,509,694

Juvenile Services

Supervisor/Director	\$	33,990	
Social Security		2,110	
Pensions		3,494	
Employee and Dependent Insurance		6,933	
Unemployment Compensation		21	
Employer Medicare		494	
Maintenance and Repair Services - Office Equipment		733	
Postal Charges		112	
Total Juvenile Services			47,887

Fire Prevention and Control

Contracts with Government Agencies	\$	75,300	
Total Fire Prevention and Control			75,300

Rural Fire Protection

Maintenance and Repair Services - Vehicles	\$	249	
Gasoline		172	
Total Rural Fire Protection			421

Civil Defense

Supervisor/Director	\$	5,800	
Part-time Personnel		1,800	
Social Security		474	
Unemployment Compensation		23	
Employer Medicare		111	
Communication		1,563	
Maintenance and Repair Services - Vehicles		683	
Gasoline		79	
Other Charges		224	
Total Civil Defense			10,757

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Supervisor/Director	\$	36,090	
Dispatchers/Radio Operators		240,483	
Part-time Personnel		836	
Overtime Pay		7,649	
Social Security		17,564	
Pensions		22,015	
Employee and Dependent Insurance		61,056	
Unemployment Compensation		302	
Employer Medicare		4,108	
Office Equipment		709	
Total Other Emergency Management			\$ 390,812

County Coroner/Medical Examiner

Other Contracted Services	\$	46,800	
Total County Coroner/Medical Examiner			46,800

Public Health and Welfare

Local Health Center

Communication	\$	3,805	
Contracts with Government Agencies		24,470	
Janitorial Services		14,400	
Maintenance and Repair Services - Buildings		9,785	
Postal Charges		196	
Custodial Supplies		310	
Drugs and Medical Supplies		643	
Office Supplies		73	
Utilities		11,237	
Other Supplies and Materials		1,077	
Total Local Health Center			65,996

Rabies and Animal Control

County Official/Administrative Officer	\$	4,159	
Part-time Personnel		14,085	
Social Security		1,131	
Unemployment Compensation		44	
Employer Medicare		265	
Communication		1,282	
Maintenance and Repair Services - Buildings		2,563	
Maintenance and Repair Services - Vehicles		2,394	
Animal Food and Supplies		867	
Drugs and Medical Supplies		110	
Gasoline		1,885	
Uniforms		234	
Utilities		4,600	
Other Supplies and Materials		705	
Total Rabies and Animal Control			34,324

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Assistant(s)	\$	29,130	
Supervisor/Director		19,003	
Clerical Personnel		28,273	
Attendants		633,604	
Part-time Personnel		60,187	
Overtime Pay		141,298	
In-service Training		500	
Social Security		63,869	
Pensions		91,011	
Employee and Dependent Insurance		121,627	
Unemployment Compensation		573	
Employer Medicare		14,937	
Communication		7,040	
Contracts with Private Agencies		113,118	
Maintenance and Repair Services - Buildings		2,685	
Maintenance and Repair Services - Equipment		16,545	
Maintenance and Repair Services - Vehicles		31,847	
Postal Charges		111	
Custodial Supplies		4,534	
Drugs and Medical Supplies		103,523	
Gasoline		45,872	
Office Supplies		2,249	
Tires and Tubes		4,062	
Uniforms		3,555	
Utilities		14,180	
Other Supplies and Materials		82	
Refunds		598	
Other Charges		2,896	
Other Equipment		1,050	
Other Capital Outlay		24,489	
Total Ambulance/Emergency Medical Services			\$ 1,582,448

Dental Health Program

Medical Personnel	\$	49,277	
Clerical Personnel		27,280	
Social Security		4,730	
Pensions		2,804	
Employee and Dependent Insurance		6,933	
Unemployment Compensation		42	
Employer Medicare		1,106	
Travel		222	
Liability Insurance		549	
Total Dental Health Program			92,943

Sanitation Education/Information

Laborers	\$	1,800	
Social Security		111	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Employee and Dependent Insurance	\$	699	
Unemployment Compensation		2	
Employer Medicare		26	
Instructional Supplies and Materials		3,446	
Other Supplies and Materials		1,848	
Other Charges		3,037	
Total Sanitation Education/Information			\$ 10,969

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	13,500	
Other Contracted Services		87,814	
Total Libraries			101,314

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	49,143	
Social Security		3,143	
Pensions		7,275	
Employer Medicare		537	
Communication		4,805	
Dues and Memberships		258	
Travel		449	
Utilities		5,314	
Other Supplies and Materials		934	
Other Capital Outlay		315	
Total Agricultural Extension Service			72,173

Forest Service

Other Contracted Services	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Secretary(ies)	\$	20,987	
Social Security		1,304	
Pensions		960	
Employee and Dependent Insurance		4,049	
Unemployment Compensation		37	
Employer Medicare		305	
Other Contracted Services		6,150	
Total Soil Conservation			33,792

Other Operations

Industrial Development

Contributions	\$	40,000	
Total Industrial Development			40,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Remittance of Revenue Collected	\$ 186,971	
Total Other Economic and Community Development		\$ 186,971

Airport

Supervisor/Director	\$ 21,630	
Part-time Personnel	20,486	
Social Security	2,611	
Pensions	2,224	
Employee and Dependent Insurance	6,933	
Unemployment Compensation	62	
Employer Medicare	611	
Communication	3,596	
Maintenance and Repair Services - Buildings	10,614	
Maintenance and Repair Services - Equipment	3,702	
Custodial Supplies	1,424	
Gasoline	26,363	
Office Supplies	53	
Utilities	11,094	
Airport Improvement	24,000	
Total Airport		135,403

Veterans' Services

Secretary(ies)	\$ 9,560	
Social Security	596	
Unemployment Compensation	21	
Employer Medicare	139	
Communication	3,975	
Travel	27	
Office Equipment	449	
Total Veterans' Services		14,767

Contributions to Other Agencies

Dues and Memberships	\$ 20,502	
Total Contributions to Other Agencies		20,502

Employee Benefits

Bonus Payments	\$ 14,850	
Employee and Dependent Insurance	23,743	
Disability Insurance	111,062	
Total Employee Benefits		149,655

COVID-19 Grant #1

Overtime Pay	\$ 116,701	
Custodial Supplies	894	
Drugs and Medical Supplies	3,523	
Office Supplies	180	
Other Supplies and Materials	1,281	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

COVID-19 Grant #1 (Cont.)

Other Charges	\$ 1,335	
Motor Vehicles	231,764	
Other Equipment	22,622	
Total COVID-19 Grant #1		\$ 378,300

COVID-19 Grant #2

Other Charges	\$ 35,254	
Total COVID-19 Grant #2		35,254

COVID-19 Grant #4

Overtime Pay	\$ 203	
Election Workers	8,570	
Communication	500	
Legal Notices, Recording, and Court Costs	468	
Printing, Stationery, and Forms	1,943	
Other Contracted Services	1,500	
Office Supplies	7,413	
Utilities	200	
Total COVID-19 Grant #4		20,797

Miscellaneous

Audit Services	\$ 5,450	
Contributions	28,000	
Data Processing Services	53,024	
Dues and Memberships	5,762	
Legal Notices, Recording, and Court Costs	1,128	
Other Supplies and Materials	3,870	
Liability Insurance	196,419	
Premiums on Corporate Surety Bonds	100	
Trustee's Commission	121,782	
Other Charges	13,690	
Total Miscellaneous		429,225

Total General Fund \$ 10,522,534

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$ 200	
Maintenance and Repair Services - Vehicles	1,680	
Travel	740	
Instructional Supplies and Materials	4,297	
Trustee's Commission	662	
Other Charges	6,154	
Law Enforcement Equipment	8,928	
Motor Vehicles	105,768	
Other Equipment	18,171	
Total Drug Enforcement		\$ 146,600

Total Drug Control Fund 146,600

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 155,353	
Total County Trustee's Office		\$ 155,353

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 212,971	
Total County Clerk's Office		<u>212,971</u>

Total Constitutional Officers - Fees Fund		\$ 368,324
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 88,735	
Secretary(ies)	39,333	
Educational Incentive - Other County Employees	165	
Board and Committee Members Fees	5,250	
Communication	4,956	
Data Processing Services	14,485	
Dues and Memberships	5,368	
Operating Lease Payments	1,492	
Legal Services	3,427	
Legal Notices, Recording, and Court Costs	307	
Maintenance and Repair Services - Office Equipment	189	
Postal Charges	645	
Travel	1,009	
Other Contracted Services	1,579	
Electricity	18,507	
Office Supplies	5,142	
Other Supplies and Materials	695	
Data Processing Equipment	527	
Total Administration		\$ 191,811

Highway and Bridge Maintenance

Foremen	\$ 360,527	
Laborers	542,429	
Part-time Personnel	21,514	
Overtime Pay	17,606	
Other Contracted Services	3,325	
Asphalt - Liquid	63,822	
Crushed Stone	61,405	
General Construction Materials	1,634	
Pipe	71,674	
Road Signs	12,990	
Wood Products	37,066	
Chemicals	10,144	
Other Supplies and Materials	971	
Total Highway and Bridge Maintenance		1,205,107

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Equipment and Machinery Parts	\$	220,973	
Garage Supplies		706	
Gasoline		97,414	
Lubricants		11,174	
Tires and Tubes		30,003	
Uniforms		8,900	
Other Supplies and Materials		600	
Total Operation and Maintenance of Equipment			\$ 369,770

Asphalt Plant Operations

Foremen	\$	21,476	
Other Contracted Services		415	
Asphalt - Hot Mix		21,106	
Crushed Stone		592	
Equipment and Machinery Parts		4,927	
Utilities		27,033	
Other Supplies and Materials		3,239	
State Aid Projects		290,918	
Total Asphalt Plant Operations			369,706

Other Charges

Liability Insurance	\$	58,335	
Trustee's Commission		35,539	
Vehicle and Equipment Insurance		62	
Total Other Charges			93,936

Employee Benefits

Social Security	\$	67,498	
Pensions		101,362	
Employee and Dependent Insurance		186,109	
Disability Insurance		55,211	
Unemployment Compensation		4,985	
Employer Medicare		15,786	
Total Employee Benefits			430,951

Capital Outlay

Bridge Construction	\$	210,831	
Building Improvements		7,781	
Communication Equipment		5,191	
Highway Construction		6,000	
Highway Equipment		951,330	
Total Capital Outlay			1,181,133

Total Highway/Public Works Fund \$ 3,842,414

(Continued)

Exhibit K-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 415,000	
Principal on Notes	63,879	
Total General Government	<u>478,879</u>	\$ 478,879

Education

Principal on Bonds	\$ 605,000	
Principal on Other Loans	25,838	
Total Education	<u>630,838</u>	630,838

Interest on Debt

General Government

Interest on Bonds	\$ 479,317	
Interest on Notes	14,547	
Total General Government	<u>493,864</u>	493,864

Education

Interest on Bonds	\$ 82,912	
Total Education	<u>82,912</u>	82,912

Other Debt Service

General Government

Trustee's Commission	\$ 14,609	
Other Debt Service	1,000	
Total General Government	<u>15,609</u>	15,609

Education

Other Charges	\$ 1,201	
Total Education	<u>1,201</u>	1,201

Total General Debt Service Fund \$ 1,703,303

Total Governmental Funds - Primary Government \$ 16,583,175

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	9,211,985	
Career Ladder Program		62,750	
Homebound Teachers		1,107	
Educational Assistants		211,714	
Other Salaries and Wages		7,832	
Certified Substitute Teachers		142,746	
Non-certified Substitute Teachers		60,816	
Social Security		534,917	
Pensions		897,681	
Medical Insurance		1,151,351	
Dental Insurance		36,365	
Employer Medicare		131,448	
Other Fringe Benefits		3,657	
Other Contracted Services		76,426	
Instructional Supplies and Materials		96,481	
Textbooks - Bound		532,476	
Other Charges		6,379	
Data Processing Equipment		15,372	
Total Regular Instruction Program			\$ 13,181,503

Alternative Instruction Program

Teachers	\$	121,299	
Social Security		6,649	
Pensions		12,457	
Medical Insurance		14,601	
Employer Medicare		1,555	
Instructional Supplies and Materials		1,796	
Total Alternative Instruction Program			158,357

Special Education Program

Teachers	\$	1,619,862	
Educational Assistants		79,227	
Speech Pathologist		198,611	
Certified Substitute Teachers		2,568	
Non-certified Substitute Teachers		3,712	
Social Security		110,784	
Pensions		181,435	
Medical Insurance		201,106	
Employer Medicare		25,945	
Contracts with Private Agencies		13,875	
Evaluation and Testing		417	
Instructional Supplies and Materials		1,679	
Other Supplies and Materials		1,668	
Other Charges		443	
Total Special Education Program			2,441,332

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	781,158	
Educational Assistants		6,169	
Certified Substitute Teachers		628	
Non-certified Substitute Teachers		4,547	
Social Security		43,849	
Pensions		69,805	
Medical Insurance		91,444	
Employer Medicare		10,634	
Maintenance and Repair Services - Equipment		1,314	
Other Contracted Services		50,048	
Instructional Supplies and Materials		72,094	
Other Supplies and Materials		200	
Vocational Instruction Equipment		262,638	
Total Career and Technical Education Program			\$ 1,394,528

COVID-19 Expenditures

Teachers	\$	429,610	
Educational Assistants		4,747	
Speech Pathologist		1,760	
Social Security		26,206	
Pensions		44,146	
Medical Insurance		18,781	
Employer Medicare		6,142	
Regular Instruction Equipment		134,427	
Total COVID-19 Expenditures			665,819

Support Services

Attendance

Supervisor/Director	\$	72,639	
Clerical Personnel		26,148	
Other Salaries and Wages		43,972	
Social Security		8,278	
Pensions		14,668	
Medical Insurance		13,885	
Employer Medicare		1,936	
Contracts with Private Agencies		24,740	
Other Supplies and Materials		491	
In Service/Staff Development		384	
Attendance Equipment		408	
Total Attendance			207,549

Health Services

Supervisor/Director	\$	40,384	
Medical Personnel		217,269	
Other Salaries and Wages		21,854	
Social Security		15,453	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Pensions	\$	26,120	
Medical Insurance		44,644	
Employer Medicare		3,613	
Travel		4,391	
Other Contracted Services		2,000	
Drugs and Medical Supplies		7,540	
Other Supplies and Materials		8,309	
In Service/Staff Development		888	
Other Equipment		16,522	
Total Health Services			\$ 408,987

Other Student Support

Guidance Personnel	\$	609,837	
Social Workers		56,339	
Social Security		36,916	
Pensions		65,101	
Medical Insurance		75,954	
Employer Medicare		9,102	
Contracts with Government Agencies		219,990	
Evaluation and Testing		37	
Maintenance and Repair Services - Equipment		20,992	
Other Supplies and Materials		228	
Total Other Student Support			1,094,496

Regular Instruction Program

Supervisor/Director	\$	126,600	
Librarians		397,528	
Educational Assistants		33,950	
Other Salaries and Wages		145,490	
Social Security		39,902	
Pensions		71,243	
Medical Insurance		95,526	
Employer Medicare		9,331	
Contracts with Government Agencies		80,000	
Travel		2,510	
Other Contracted Services		18,272	
Library Books/Media		28,262	
Other Supplies and Materials		7,620	
In Service/Staff Development		1,115	
Other Charges		1,081	
Total Regular Instruction Program			1,058,430

Alternative Instruction Program

Clerical Personnel	\$	24,609	
Social Security		1,404	
Pensions		2,530	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Medical Insurance	\$	5,016	
Employer Medicare		328	
Total Alternative Instruction Program			\$ 33,887

Special Education Program

Supervisor/Director	\$	198,184	
Psychological Personnel		108,657	
Social Workers		38,504	
Social Security		16,238	
Pensions		27,396	
Medical Insurance		32,927	
Employer Medicare		4,685	
Contracts with Private Agencies		110,522	
Travel		2,685	
Other Supplies and Materials		1,501	
Other Charges		401	
Other Equipment		771	
Total Special Education Program			542,471

Career and Technical Education Program

Supervisor/Director	\$	42,134	
Social Security		2,417	
Pensions		4,409	
Medical Insurance		5,576	
Employer Medicare		565	
Total Career and Technical Education Program			55,101

Technology

Supervisor/Director	\$	53,862	
Computer Programmer(s)		107,936	
Social Security		9,680	
Pensions		15,750	
Medical Insurance		16,854	
Employer Medicare		2,264	
Communication		6,000	
Maintenance and Repair Services - Equipment		48,611	
Internet Connectivity		76,726	
Travel		13	
Other Contracted Services		119,751	
Other Supplies and Materials		8,639	
In Service/Staff Development		100	
Other Equipment		10,000	
Total Technology			476,186

Other Programs

On-behalf Payments to OPEB	\$	90,555	
Total Other Programs			90,555

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	19,700	
Social Security		1,110	
Medical Insurance		18,367	
Unemployment Compensation		7,306	
Employer Medicare		286	
Audit Services		26,445	
Dues and Memberships		6,910	
Legal Services		7,606	
Travel		1,361	
Other Contracted Services		3,500	
Liability Insurance		46,140	
Premiums on Corporate Surety Bonds		2,623	
Trustee's Commission		183,498	
Workers' Compensation Insurance		102,652	
In Service/Staff Development		500	
Other Charges		1,397	
Total Board of Education			\$ 429,401

Director of Schools

County Official/Administrative Officer	\$	116,554	
Career Ladder Program		600	
Clerical Personnel		71,266	
Social Security		10,470	
Pensions		19,358	
Life Insurance		9,526	
Medical Insurance		24,304	
Employer Medicare		2,449	
Communication		76,572	
Dues and Memberships		8,752	
Postal Charges		3,866	
Travel		3,397	
Other Contracted Services		43,538	
Office Supplies		2,916	
In Service/Staff Development		1,050	
Other Charges		30,002	
Total Director of Schools			424,620

Office of the Principal

Principals	\$	684,470	
Assistant Principals		369,375	
Secretary(ies)		307,976	
Social Security		78,468	
Pensions		137,284	
Medical Insurance		164,380	
Employer Medicare		18,351	
Other Charges		5,711	
Total Office of the Principal			1,766,015

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	46,274	
Accountants/Bookkeepers		69,481	
Social Security		6,715	
Pensions		11,900	
Medical Insurance		15,999	
Employer Medicare		1,571	
Data Processing Services		15,514	
Dues and Memberships		815	
Travel		335	
Data Processing Supplies		2,020	
Office Supplies		2,663	
In Service/Staff Development		968	
Administration Equipment		5,081	
Total Fiscal Services			\$ 179,336

Human Services/Personnel

Supervisor/Director	\$	59,344	
Social Security		3,611	
Pensions		6,100	
Medical Insurance		1,195	
Employer Medicare		845	
Licenses		17,716	
Travel		110	
Office Supplies		309	
In Service/Staff Development		150	
Total Human Services/Personnel			89,380

Operation of Plant

Supervisor/Director	\$	38,128	
Social Security		1,242	
Pensions		1,731	
Medical Insurance		1,119	
Employer Medicare		535	
Janitorial Services		786,339	
Disposal Fees		32,465	
Electricity		635,663	
Natural Gas		111,946	
Water and Sewer		51,961	
Boiler Insurance		4,485	
Building and Contents Insurance		157,435	
Total Operation of Plant			1,823,049

Maintenance of Plant

Supervisor/Director	\$	74,761	
Maintenance Personnel		213,727	
Social Security		15,983	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Pensions	\$	27,175	
Medical Insurance		32,950	
Employer Medicare		3,983	
Laundry Service		4,922	
Maintenance and Repair Services - Buildings		337,944	
Maintenance and Repair Services - Equipment		52,439	
Travel		3,556	
Other Contracted Services		51,040	
General Construction Materials		21,201	
Tires and Tubes		1,224	
Other Supplies and Materials		1,138	
Other Charges		574	
Maintenance Equipment		9,300	
Total Maintenance of Plant			\$ 851,917

Transportation

Supervisor/Director	\$	6,358	
Mechanic(s)		156,624	
Bus Drivers		451,693	
Clerical Personnel		30,774	
In-service Training		7,526	
Social Security		31,805	
Pensions		52,198	
Medical Insurance		22,610	
Employer Medicare		9,213	
Contracts with Parents		1,391	
Laundry Service		2,864	
Maintenance and Repair Services - Vehicles		4,410	
Medical and Dental Services		4,350	
Travel		1,074	
Diesel Fuel		93,031	
Garage Supplies		19,357	
Gasoline		31,285	
Lubricants		4,235	
Tires and Tubes		27,291	
Vehicle Parts		56,252	
Other Supplies and Materials		8,798	
Vehicle and Equipment Insurance		39,359	
In Service/Staff Development		1,468	
Other Charges		47,000	
Total Transportation			1,110,966

COVID-19 Expenditures

Principals	\$	40,845	
Supervisor/Director		14,093	
Computer Programmer(s)		346	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

COVID-19 Expenditures (Cont.)

Guidance Personnel	\$	8,412	
Psychological Personnel		2,377	
Librarians		3,355	
Medical Personnel		2,710	
Assistant Principals		7,776	
Bus Drivers		52,747	
Secretary(ies)		5,049	
Clerical Personnel		15,851	
Maintenance Personnel		791	
Other Salaries and Wages		2,945	
Social Security		9,191	
Pensions		15,109	
Medical Insurance		6,008	
Employer Medicare		2,306	
Other Charges		221,891	
Total COVID-19 Expenditures			\$ 411,802

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	122,786	
Teachers		485,954	
Educational Assistants		157,418	
Certified Substitute Teachers		2,260	
Non-certified Substitute Teachers		5,027	
Social Security		45,120	
Pensions		77,453	
Medical Insurance		72,123	
Employer Medicare		10,573	
Instructional Supplies and Materials		5,860	
Other Supplies and Materials		11,245	
In Service/Staff Development		40	
Other Charges		13,007	
Other Equipment		17,637	
Total Early Childhood Education			1,026,503

COVID-19 Expenditures

Other Supplies and Materials	\$	6,242	
Total COVID-19 Expenditures			6,242

Capital Outlay

Regular Capital Outlay

Building Construction	\$	15,849	
Building Improvements		17,133	
Total Regular Capital Outlay			32,982

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 714,952	
Total Education		\$ 714,952

Total General Purpose School Fund \$ 30,676,366

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 31,074	
Educational Assistants	65,315	
Part-time Personnel	3,510	
Other Salaries and Wages	145,954	
Social Security	12,261	
Pensions	21,467	
Medical Insurance	26,964	
Employer Medicare	3,348	
Maintenance and Repair Services - Equipment	2,833	
Other Contracted Services	17,202	
Instructional Supplies and Materials	384,097	
Other Supplies and Materials	117,439	
Regular Instruction Equipment	338,637	
Total Regular Instruction Program		\$ 1,170,101

Special Education Program

Supervisor/Director	\$ 50,490	
Teachers	32,281	
Educational Assistants	371,011	
Other Salaries and Wages	38,504	
Social Security	27,611	
Pensions	47,615	
Medical Insurance	61,029	
Employer Medicare	6,612	
Contracts with Private Agencies	1,125	
Other Contracted Services	22,986	
Instructional Supplies and Materials	58,270	
Other Supplies and Materials	9,200	
Other Charges	2,950	
Special Education Equipment	13,560	
Total Special Education Program		743,244

Career and Technical Education Program

Educational Assistants	\$ 2,122	
Social Security	122	
Pensions	218	
Medical Insurance	478	
Employer Medicare	28	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Instructional Supplies and Materials	\$	25,630	
Vocational Instruction Equipment		80,046	
Total Career and Technical Education Program			\$ 108,644

COVID-19 Expenditures

Teachers	\$	23,538	
Other Salaries and Wages		51,517	
Social Security		1,459	
Pensions		2,261	
Employer Medicare		341	
Instructional Supplies and Materials		45,200	
Software		207,812	
Regular Instruction Equipment		338,277	
Special Education Equipment		47,023	
Total COVID-19 Expenditures			717,428

Support Services

Other Student Support

Other Salaries and Wages	\$	18,000	
Social Security		1,116	
Pensions		1,849	
Employer Medicare		261	
Travel		6,373	
Other Supplies and Materials		28,843	
In Service/Staff Development		414	
Total Other Student Support			56,856

Regular Instruction Program

Supervisor/Director	\$	83,151	
Clerical Personnel		29,408	
Other Salaries and Wages		298,946	
Social Security		23,938	
Pensions		42,182	
Medical Insurance		42,750	
Employer Medicare		5,663	
Other Contracted Services		1,277	
Other Supplies and Materials		37,029	
In Service/Staff Development		15,860	
Other Charges		6,292	
Other Equipment		4,224	
Total Regular Instruction Program			590,720

Special Education Program

Other Salaries and Wages	\$	150,262	
Social Security		7,171	
Pensions		11,692	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	2,174	
Maintenance and Repair Services - Equipment		729	
Travel		7,868	
Other Contracted Services		2,242	
Other Supplies and Materials		12,685	
In Service/Staff Development		25,341	
Other Charges		670	
Other Equipment		18,494	
Total Special Education Program			\$ 239,328

Career and Technical Education Program

In Service/Staff Development	\$	1,893	
Total Career and Technical Education Program			1,893

Transportation

Bus Drivers	\$	70,550	
Other Salaries and Wages		31,667	
Social Security		6,172	
Pensions		8,744	
Employer Medicare		1,482	
Contracts with Parents		358	
Diesel Fuel		4,458	
Total Transportation			123,431

COVID-19 Expenditures

Custodial Personnel	\$	35,022	
Other Salaries and Wages		20,000	
Social Security		3,411	
Pensions		2,831	
Employer Medicare		290	
Janitorial Services		508	
Maintenance and Repair Services - Equipment		9,000	
Travel		1,373	
Custodial Supplies		6,577	
Other Supplies and Materials		34,935	
Transportation Equipment		4,907	
Health Equipment		38,370	
Total COVID-19 Expenditures			157,224

Operation of Non-Instructional Services

Community Services

Teachers	\$	183,630	
Educational Assistants		5,145	
Other Salaries and Wages		4,436	
Social Security		11,912	
Pensions		19,241	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Employer Medicare	\$	2,786	
Food Supplies		79	
Other Charges		7,498	
Total Community Services			\$ 234,727

Capital Outlay

COVID-19 Expenditures

Building Improvements	\$	13,433	
Total COVID-19 Expenditures			13,433

Total School Federal Projects Fund \$ 4,157,029

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	64,136	
Accountants/Bookkeepers		34,755	
Cafeteria Personnel		671,466	
Social Security		43,807	
Pensions		75,495	
Life Insurance		931	
Medical Insurance		92,107	
Unemployment Compensation		3,603	
Employer Medicare		10,720	
Communication		2,756	
Data Processing Services		7,980	
Dues and Memberships		382	
Maintenance and Repair Services - Equipment		12,643	
Travel		63	
Permits		800	
Other Contracted Services		10,659	
Electricity		15,201	
Food Supplies		582,950	
Natural Gas		8,585	
Office Supplies		1,639	
Water and Sewer		4,023	
USDA - Commodities		103,219	
Other Supplies and Materials		63,112	
Refunds		7	
In Service/Staff Development		65	
Other Charges		1,804	
Food Service Equipment		6,682	
Total Food Service			\$ 1,819,590

COVID-19 Expenditures

Supervisor/Director	\$	1,500	
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(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

COVID-19 Expenditures (Cont.)

Accountants/Bookkeepers	\$	1,328	
Cafeteria Personnel		20,178	
Social Security		1,116	
Pensions		2,292	
Medical Insurance		3,021	
Employer Medicare		305	
Total COVID-19 Expenditures		<u> </u>	\$ <u>29,740</u>

Total Central Cafeteria Fund \$ 1,849,330

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	<u>1,126,099</u>	
Total Community Services			\$ <u>1,126,099</u>

Total Internal School Fund 1,126,099

Total Governmental Funds - Hardeman County School Department \$ 37,808,824

Exhibit K-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Additions</u>	
Local Option Sales Tax	\$ 2,241,622
Total Additions	<u>\$ 2,241,622</u>
<u>Deductions</u>	
Remittance of Revenues Collected	\$ 2,219,369
Trustee's Commission	22,253
Total Deductions	<u>\$ 2,241,622</u>
Excess of Additions Over (Under) Deductions	\$ 0
Net Position, July 1, 2020	<u>0</u>
Net Position, June 30, 2021	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hardeman County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 24, 2021. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Hardeman County School Department (a discretely presented component unit) as described in our report on Hardeman 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 Hardeman 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 Hardeman County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hardeman County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2021-001(B,C), 2021-002, 2021-003(A), 2021-004(A), 2021-005(A-C), 2021-006, and 2021-008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hardeman 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: 2021-001(A), 2021-003(B), 2021-004(B,C), 2021-005(D), and 2021-007.

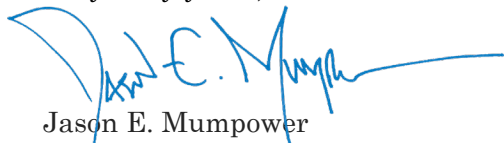
Hardeman County's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hardeman 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

November 24, 2021

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hardeman County's basic financial statements. We issued our report thereon dated November 24, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 24, 2021

JEM/tg

Hardeman County, Tennessee, and the Hardeman County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8)
For the Year Ended June 30, 2021

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 569,683
National School Lunch Program	10.555	N/A	1,158,966 (6)
Fresh Fruit and Vegetable Program	10.582	N/A	44,370
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	103,219 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG2166905	10,323
Total U.S. Department of Agriculture			<u>\$ 1,886,561</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 2,338
Total U.S. Department of Labor			<u>\$ 2,338</u>
U.S. Department of the Treasury:			
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	\$ 305,507 (6)
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	378,300 (6)
Total U.S. Department of the Treasury			<u>\$ 683,807</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,327,145
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	945,762
Special Education - Preschool Grants	84.173	N/A	86,843
Career and Technical Education - Basic Grants to States	84.048	N/A	118,097
Twenty-first Century Community Learning Centers	84.287	N/A	237,976
Rural Education	84.358	N/A	178,969
Supporting Effective Instruction State Grant	84.367	N/A	159,194
Student Support and Academic Enrichment Program	84.424	N/A	134,806
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund (ESSER I)	84.425D	N/A	787,094 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	N/A	414,571 (6)
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	152,459
Total U.S. Department of Education			<u>\$ 4,542,916</u>
Delta Regional Authority:			
Direct Program:			
Delta Regional Development	90.200	N/A	\$ 151,422
Total Delta Regional Authority			<u>\$ 151,422</u>
U.S. Election Assistance Commission:			
Passed through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grants	90.404	(5)	\$ 20,797
Total U.S. Election Assistance Commission			<u>\$ 20,797</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG2166905	\$ 3,996
Maternal and Child Health Services Block Grant to the States	93.994	GG2166905	5,794
Passed-through State Department of Education:			
TANF Cluster: (4)			
COVID 19 - Temporary Assistance for Needy Families	93.558	N/A	185,500
Total U.S. Department of Health and Human Services			<u>\$ 195,290</u>

(Continued)

Hardeman County, Tennessee, and the Hardeman County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(5)	\$ 6,700
Total U.S. Department of Homeland Security			<u>\$ 6,700</u>
Total Expenditures of Federal Awards			<u>\$ 7,489,831</u>

State Grants	Federal Assistance Listings Number	Contract Number	Expenditures
Coordinated School Health - State Department of Education	N/A	(5)	\$ 100,000
Early Childhood Education - State Department of Education	N/A	(5)	1,028,779
Safe Schools - State Department of Education	N/A	(5)	80,905
Summer Learning Camps Grant - State Department of Education	N/A	(5)	113,795
Learning Camp Transportation Grant - State Department of Education	N/A	(5)	64,502
STREAM Mini Camps Grant - State Department of Education	N/A	(5)	32,149
Bridge Camps Grant - State Department of Education	N/A	(5)	47,128
Governor's Investment in Vocational Education - Tennessee Higher Education Commission	N/A	(5)	146,109
Airport Maintenance Program - State Department of Transportation	N/A	35-0740-20	5,748
Grounds Maintenance Equipment Grant - State Department of Transportation	N/A	AERO-19-188-00	24,000
School Resource Officer Grant - State Department of Education	N/A	(5)	134,218
Tennessee Agricultural Enhancement Program - State Department of Agriculture	N/A	(5)	150,000
Juvenile Justice & Delinquency Prevention - State Commission on Children and Youth	N/A	(5)	9,000
High Visibility Law Enforcement Grant - State Department of Transportation	N/A	Z20THS102	758
Litter Grant - State Department of Transportation	N/A	(5)	17,556
Three-Star Grant - State Department of Economic and Community Development	N/A	13384	5,000
Bill Dance Spring Lake Project Grant - State Department of Economic and Community Development	N/A	33007-46617	50,875
State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration	N/A	(5)	1,293,286
Waste Tire Grant - State Department of Environment & Conservation	N/A	(5)	140,598
Health Department Grant - State Department of Health	N/A	GG2166905	79,727
Total State Grants			<u>\$ 3,524,133</u>

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) Hardeman County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Child Nutrition Cluster total \$1,831,868; Special Education Cluster total \$1,032,605; TANF Cluster total \$185,500.
- (5) Information not available.
- (6) Total Federal Assistance Listings No. 10.555 is \$1,262,185; Total Federal Assistance Listings No. 21.019 is \$683,807; Total Federal Assistance Listings No. 84.425D is \$1,201,665.
- (7) For the year ended June 30, 2021, Hardeman County received donated PPE valued at \$257,145 (\$192,859 federal and \$64,286 state) from the Tennessee Department of Military. Those donations were unaudited.
- (8) The following amounts were consolidated for administration purposes:

Program Title	Federal Assistance Listings Number	Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 141,213
Rural Education	84.358	1,569
Supporting Effective Instruction State Grant	84.367	12,552
Student Support and Academic Enrichment Program	84.424	1,569
Total amounts consolidated for administration purposes		<u>\$ 156,903</u>

Hardeman 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 Hardeman 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
<u>OFFICE OF COUNTY MAYOR</u>					
2020	179	2020-001	Drug control funds were expended improperly.	N/A	Corrected
2020	180	2020-002	General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2020	180	2020-003	The office had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2020	181	2020-004	The office had deficiencies with renovations and additions to county buildings.	N/A	Corrected
<u>OFFICES OF COUNTY MAYOR AND TRUSTEE</u>					
2020	182	2020-005	Duties were not segregated adequately.	N/A	Not Corrected - See Explanation on Corrective Action Plan
<u>OFFICES OF COUNTY MAYOR AND SHERIFF</u>					
2020	182	2020-006	The offices had deficiencies in purchasing procedures.	N/A	Mayor: Not Corrected - See Explanation on Corrective Action Plan Sheriff: Corrected
<u>OFFICE OF HIGHWAY SUPERINTENDENT</u>					
2020	184	2020-007	The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.	N/A	Corrected
<u>OFFICE OF TRUSTEE</u>					
2020	185	2020-008	The office had accounting deficiencies.	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

HARDEMAN 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 Hardeman 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 Listings Numbers: 10.553, 10.555 Child Nutrition Cluster
 - * Assistance Listings Number: 84.425D

COVID 19 - Education Stabilization Fund
 Program - Elementary and Secondary School
 Emergency Relief Fund (ESSER I & II)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action 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 OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

(A. – Noncompliance Under *Government Auditing Standards*; B. and C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 61 disbursements totaling \$518,398 from a population of 2,514 vendor checks totaling \$6,303,384. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

- A. Competitive bids were not solicited for a utility tractor (\$41,500) and a rotary cutter (\$12,500) for the landfill. The county mayor advised that the utility tractor and rotary cutter were purchased from a state contract; however, the equipment purchased was not included on the state contract. Purchasing procedures for the county are governed by Chapter 90, Private Acts of 1989, as amended, which requires competitive bids to be solicited through newspaper advertisements for all purchases exceeding \$10,000. The failure to solicit competitive bids could result in the county paying more than the most competitive price.
- B. In three of seven applicable instances, employees were paid travel advances; however, the county's travel policy does not provide for travel advances. Additionally, in those instances, travel claims were not subsequently filed documenting actual costs. The failure to follow the county's travel policy and the failure to document actual costs increases the risks that improper payments could be made.
- C. In two of seven instances, detailed receipts were not provided for meals and hotel bills charged to the county's credit card. The failure to maintain adequate documentation increases the risks of unauthorized purchases.

RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by Chapter 90, Private Acts of 1989, as amended. The county should comply with its travel policy for the payment of employee business-related travel expenses. Supporting documentation for all disbursements should be maintained.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I do not concur with the finding. During an emergency purchase to replace the only tractor owned by the Hardeman County Landfill, the State of Tennessee vendor for John Deere equipment was contacted, and a price was obtained. The vendor did not have the desired 100 HP tractor available for sale. The regional John Deere dealer was contacted, and a 100 HP tractor was purchased at a lower cost than the state vendor quoted. The tractor and mower were quoted and purchased together. It is the responsibility of the county purchasing agent to obtain the lowest and best bid available. The Hardeman County Landfill could not operate without a tractor.

AUDITOR'S COMMENT

During the audit and the exit conference, the county mayor never advised that this was an emergency purchase. The auditor reviewed the county commission minutes and the purchasing documentation and found no evidence to support that this was an emergency purchase. Documentation should be on file to support any emergency purchase. Furthermore, there are other pieces of equipment listed on the landfill's capital assets that could perform similar functions to the utility tractor.

FINDING 2021-002

SOME GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND

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

Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allowed errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

General ledger payroll deduction accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur.

FINDING 2021-003

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures; managements failure to provide sufficient oversight; management’s failure to correct the finding noted in the prior-year audit report; and management’s failure to implement their corrective action plan.

- A. Four budget amendments totaling \$60,122 were posted to the General Fund, which were not presented for approval to the county commission until July and August 2021, after the fiscal year-end. Therefore, these budget amendments have not been recognized in the financial statements of this report.
- B. Expenditures exceeded appropriations approved by the county commission in three of 56 major appropriation categories (the legal level of control) in the General Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
General Government - County Attorney	\$ 26,647
Public Safety - County Coroner/Medical Examiner	6,240
Other Operations - Employee Benefits	3,743

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

RECOMMENDATION

Budget amendments should be posted to the accounting records only after approval by the county commission prior to the fiscal year-end. Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with the finding. The four budget amendments were approved in July by the Hardeman County Commission for June invoices that were not received in time for the June commission meeting.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2021-004 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. and C. – Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures, and management’s failure to provide sufficient oversight.

- A. Several budget amendments were posted in the General Purpose School Fund, which were approved by the board of education; however, these amendments were not presented for approval to the county commission. We have recognized only those budget amendments approved by both the board of education and the county commission in the financial statements of this report.
- B. Expenditures exceeded appropriations approved by the county commission in nine of 29 major appropriation categories (the legal level of control) of the General Purpose School Fund as follows:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Instruction - Alternative Instruction Program	\$ 1,439
Instruction - Career and Technical Education Program	85,748
Support Services - Attendance	5,090
Support Services - Other Student Support	50,506
Support Services - Special Education Program	26,296
Support Services - Director of Schools	7,914
Support Services - Office of Principal	23,456
Support Services - Maintenance of Plant	52,875
Capital Outlay - Regular Capital Outlay	206,517

- C. Salaries exceeded appropriations in 30 of 78 salary line-items of the General Purpose School Fund by amounts ranging from \$140 to \$61,185. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not

exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

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

RECOMMENDATION

Budget amendments should be posted to the accounting records only after approval by the board of education and the county commission. Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE – BOBBY DOYLE, INTERIM DIRECTOR OF SCHOOLS, AND ASSISTANT DIRECTOR OF FINANCE AND ADMINISTRATION

The Hardeman County Board of Education does not concur with this finding in its entirety. The Board of Education is very attuned to the need for departments to stay within approved budgetary limits.

Two of the budget amendments not recognized by auditors were prepared by the management of the board; however, there was an oversight of management in failing to present to the county commission due to a meeting reschedule and the nature of one of the budget amendments.

There were also eleven budget amendments not recognized during the examination. All of these budget amendments involved funding from sources other than county tax dollars.

The remaining unallowed budget amendments dealt with salary line-items. The Hardeman County Board of Education does not concur with this portion of the finding. The board has Policy 2.201 entitled *Line-item Transfer Authority*. That policy states, “Line-item transfers within major categories shall be made upon the recommendation of the director of schools and approved by the Board.” This policy has a legal reference of Attorney General Opinion 83-464. The remaining unallowed budget amendments involved salary line-items which were amendments within major categories. The board also maintains that it operates under the Private Act of 1937, Chapter 68, wherein the county commission sets the tax rate to fund the board’s budget. The board then administers such budget. Furthermore, the board’s interpretation of the county commission’s budget resolution is that the resolution refers to individual employee salaries and not salaries in the aggregate as the resolution refers to “the salary, wages, or enumeration of each official, employee...”

AUDITOR’S COMMENT

As noted above, Section 5-9-401, *TCA*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be

used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” Furthermore, the budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed appropriations that accompany this resolution. The appropriations that accompany the budget resolution are in the aggregate by line-item and are not itemized by individual employee.

OFFICE OF TRUSTEE

FINDING 2021-005

THE OFFICE HAD ACCOUNTING DEFICIENCIES

(A., B., and C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; D. – Noncompliance Under *Government Auditing Standards*)

The following deficiencies were noted during our examination of the office’s accounting records. These deficiencies can be attributed to a lack of understanding of internal controls, generally accepting accounting principles, state statutes, and sound business practices. Also, these deficiencies are the result of management’s failure to correct the finding noted in the prior-year audit report and the failure to implement their corrective action plan.

- A. The trustee maintains control over three separate payroll clearing bank accounts and four separate tax clearing bank accounts for the county mayor, highway department, and the school department that were not reflected on the general ledger. Since these accounts were not posted on the general ledger, the trustee could not adequately reconcile general ledger operations with bank account activities and bank balances. This deficiency could result in a loss of control over assets.
- B. Bank statements for ten of the trustee’s bank accounts posted to the accounting records were not reconciled with the general ledger accurately during the period from July 2020 through June 2021, and the rest of the bank accounts were not reconciled accurately during the period December 2020 through June 2021. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly to ensure errors are identified and corrected promptly. The failure to regularly reconcile the bank accounts with accounting records is a significant deficiency that increases the risks that errors will not be discovered and corrected in a timely manner.
- C. Monthly accounting records were not properly maintained. For a portion of December 2020 and during January through April 2021, receipts and checks were not posted to the accounting records. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control. It should be noted that in April 2021, representatives from the County Technical Assistance Service and Local Government Data Processing

Corporation assisted the trustee in posting receipts and checks through the end of the fiscal year as well as assisted with bank reconciliations.

- D. The office did not always file the monthly trustee's report with the county mayor, highway superintendent, and the director of schools in compliance with state statute. Section 67-5-1902, *Tennessee Code Annotated (TCA)*, states that on or before the tenth day in each month the trustee shall report and make settlement for all taxes collected during the preceding month. Due to receipts and checks not posted as noted above in Part C, monthly reports were not filed with the county mayor, highway superintendent, and director of schools for the months of December 2020 through June 2021 until August 2021. The failure to file the monthly trustee's report timely delays the posting of financial information by the county mayor, highway superintendent, and the director of schools, which delays the dissemination of the information to the county commission and the Board of Education. Because of this delay, the county mayor's accounting records were not closed and available for audit by August 31, 2021, as required by Section 9-2-102, *TCA*. This statute provides that records should be available for audit no later than two months after the close of their June 30 fiscal year.

RECOMMENDATION

All bank activity should be reflected on the general ledger, bank accounts should be reconciled with the general ledger monthly, and errors identified should be corrected promptly. Accounting records should be maintained on a current basis. The trustee should file the monthly trustee's report with the county mayor, highway superintendent, and director of school in compliance with state statute.

MANAGEMENT'S RESPONSE – TRUSTEE

I concur with this finding. During the year, I asked for additional training and assistance from the County Technical Assistance Service and Local Government Data Processing Corporation to help in getting the accounting records posted.

FINDING 2021-006

THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

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

The software application used by the office generated five audit logs that displayed changes made by users. Since these logs provide the only audit trail of these changes, they should be routinely review for inappropriate activity. Although the official was aware of the importance of these logs, they were not routinely reviewed. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Management should review the audit logs on a routine basis. Any unusual transactions should be investigated.

MANAGEMENT’S RESPONSE – TRUSTEE

We concur with the finding. This was an oversight due to unforeseen circumstances. The office plans to begin reviewing all software audit logs before the 10th of each month.

OFFICE OF SHERIFF

FINDING 2021-007

THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected deposits for the months of February and March 2021 to trace to receipts. During this period, collections in five of 12 deposits were held more than three business days before being deposited. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

All funds should be deposited in the office bank account within three days of collection as required by state statute.

MANAGEMENT’S RESPONSE – SHERIFF AND CHIEF DEPUTY

Due to the recent COVID pandemic, the Office of Sheriff has experienced personnel shortages causing deficiencies in performance and oversight. However, we have reorganized and restructured personnel resources to take corrective measures necessary to make the appropriate deposits within three business days in order to comply with state statute.

OFFICES OF COUNTY MAYOR, TRUSTEE, AND SHERIFF

FINDING 2021-008

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Solid Waste and Animal Control Department and the Offices of Trustee and Sheriff. The employees

responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I do not concur with the finding. The auditor could not present me with any deficiency found in the Solid Waste and Animal Control Department but stated an employee indicated the duties may not be segregated. The employee denies making such a statement and clearly understands segregating duties in the office. The office has two employees and management has constructed separate cash drawers as a result of a previous finding.

MANAGEMENT'S RESPONSE – TRUSTEE

I concur with this finding.

MANAGEMENT'S RESPONSE – SHERIFF AND CHIEF DEPUTY

Due to the recent COVID pandemic, the Office of Sheriff has experienced personnel shortages causing a lack of efficiency. However, we have reorganized and restructured personnel resources to adequately segregate duties concerning financial account reconciliation in order to comply with *Government Auditing Standards*.

AUDITOR'S COMMENT – COUNTY MAYOR

At June 30, 2021, one employee was handling all of the financial responsibilities of the office, which is a significant deficiency in internal controls.

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.

Hardeman 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.

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

OFFICE OF COUNTY MAYOR

2021-001	The office had deficiencies in purchasing procedures.	197
2021-002	Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.	198
2021-003	The office had deficiencies in budget operations.	198
2021-008	Duties were not segregated adequately.	197

OFFICE OF DIRECTOR OF SCHOOLS

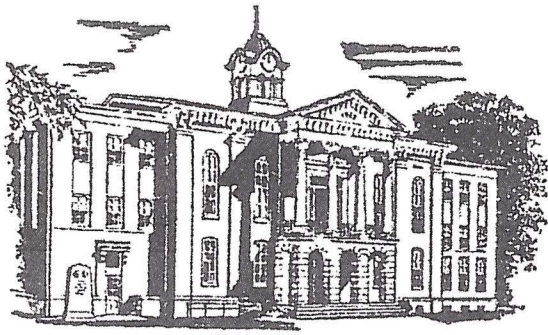
2021-004	The office had deficiencies in budget operations.	199
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OFFICE OF TRUSTEE

2021-005	The office had accounting deficiencies.	201
2021-006	The office did not review its software audit logs.	202
2021-008	Duties were not segregated adequately.	200

OFFICE OF SHERIFF

2021-007	The office did not deposit some funds within three days of collection.	204
2021-008	Duties were not segregated adequately.	203



Hardeman County

*Courthouse
100 N. Main Street
PO Box 250
Bolivar, Tennessee 38008*

*Office of:
Jimmy Sain, County Mayor*

Phone: (731) 658-3266
Fax: (731) 658-5721

November 23, 2021

Corrective Action Plan

Finding: The office had deficiencies in purchasing

Response and Corrective Action Plan Prepared by:
Jimmy Sain, Mayor

Person Responsible for Implementing the Corrective Action:
Jimmy Sain, Mayor

Anticipated Completion Date of Corrective action:

Repeat finding:
No

Planned Corrective Action: None

Finding: Duties were not segregated adequately in the Solid Waste and Animal Control department:

Response and Corrective Action Plan Prepared by:
Jimmy Sain, Mayor

Person Responsible for Implementing the Corrective Action:
Jimmy Sain, Mayor

Anticipated Completion Date of Corrective action:

Repeat finding:
No

Planned Corrective Action: None

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Finding: General Ledger Payroll deduction accounts were not reconciled with reports

Response and Corrective Action Plan Prepared by:
Ashley Gibson

Person Responsible for Implementing the Corrective Action:
Ashley Gibson

Anticipated Completion Date of Corrective action:
June 30, 2022

Repeat finding:
Yes

Planned Corrective Action: To reconcile payroll deductions with reports.

Finding: The office had deficiencies in budget operations:

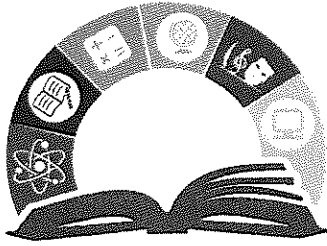
Response and Corrective Action Plan Prepared by:
Jimmy Sain, Mayor

Person Responsible for Implementing the Corrective Action:
Jimmy Sain, Mayor

Anticipated Completion Date of Corrective action:

Repeat finding:
No

Planned Corrective Action: We will attempt to have vendors invoice prior to the June Commission meeting for budget amendments. We have no control over the medical center billing for autopsies.



HARDEMAN COUNTY SCHOOLS

"Preparing for the Future, One Child at a Time"

Bobby Doyle ~ Interim Director of Schools

Corrective Action Plan

November 10, 2021

FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:

Bobby Doyle, Interim Director of Schools & Lisa Higgs, Asst. Director for Finance & Adm.

Person Responsible for Implementing the Corrective Action:

Newly Appointed Director of Schools & Lisa Higgs, Asst. Director for Finance & Adm.

Anticipated Completion Date of Corrective Action:

Immediate

Repeat Finding:

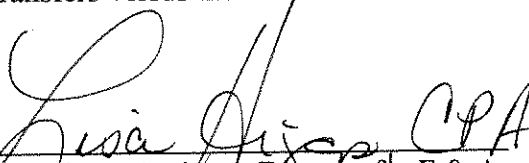
No

Planned Corrective Action:

The Board of Education will be more cognizant of amendments, which need county commission approval based on our Policy 2.201, which states "Transfer between major budget categories shall be made with the approval of the County Commission." The Board will also make the county commission aware of those amounts, not involving county tax dollars, which increase the overall budget.

The Board of Education's management will work with the Comptroller's office to reconcile its interpretation of salary line item transfers versus the Board of Education's Policy 2.201.

Signature:


Lisa Higgs, Assistant Director for F & A

Signature:


Bobby Doyle, Interim Director of Schools

Address: 10815 Old Highway 64, Bolivar, TN 38008

Phone: 731-658-2510 ~ General Fax: 731-658-2510

Director's Fax: 731-403-0062 ~ Accounting Fax: 731-658-4274

Phone 658-5541



HARDEMAN COUNTY

MARY W. POWELL, TRUSTEE
P.O. Box 337
Bolivar, TN 38008

Corrective Action Plan

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF TRUSTEE

Response and Corrective Action Plan Prepared by:
Mary Powell, Trustee

Person Responsible for Implementing the Corrective Action:
Mary Powell, Trustee

Anticipated Completion Date of Corrective Action:
June 30, 2022

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Due to some unexpected circumstances, this finding was not corrected as planned.

Planned Corrective Action:
I have requested assistance from the County Technical Assistance Service and Local Government Data Processing Corporation in order to provide additional training for the chief deputy who will take on more responsibilities.

Signature: _____

Mary Powell

Phone 658-5541



HARDEMAN COUNTY

MARY W. POWELL, TRUSTEE
P.O. Box 337
Bolivar, TN 38008

Corrective Action Plan

FINDING: THE OFFICE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Mary Powell, Trustee

Person Responsible for Implementing the Corrective Action:
Mary Powell, Trustee

Anticipated Completion Date of Corrective Action:
June 30, 2022

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Due to some unexpected circumstances, this finding was not corrected as planned.

Planned Corrective Action:
The trustee will continue to seek assistance from the County Technical Assistance Service and Local Government Data Processing to provide additional training and assistance as needed.

Signature: _____

Mary Powell

731-
Phone 658-5541



HARDEMAN COUNTY

MARY W. POWELL, TRUSTEE
P.O. Box 337
Bolivar, TN 38008

September 7, 2021

Corrective Action Plan

Finding 2021-001: THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

Response and Corrective Action Plan Prepared by: Mary W. Powell, Trustee

Person Responsible for Implementing the Corrective Action: Mary W. Powell, Trustee

Anticipated Completion Date of Corrective Action: September, 2021

Repeat Finding: No

Planned Corrective Action: The Office plans to begin reviewing all software audit logs monthly.

Signature: _____

Mary W. Powell, Trustee



Hardeman County Sheriff's Office

505 South Main St, Ste. B

Bolivar, TN 38008

John Doolen
Sheriff

Greg Moore
Chief Deputy

CORRECTIVE ACTION PLAN

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

Greg Moore, Chief Deputy

Person Responsible for Implementing the Corrective Action:

Greg Moore, Chief Deputy

Anticipated Completion Date of Corrective Action:

November 8, 2021

Repeat Finding:

No

Planned Corrective Action: Due to the recent Pandemic, the Office of The Sheriff has experienced personnel shortages causing lack of efficiency, however has reorganized and restructured personnel resources to adequately segregate duties concerning financial account reconciliation in order to be in compliance with Government Auditing Standards.

A handwritten signature in blue ink, appearing to be "John Doolen", written over a horizontal line.



Hardeman County Sheriff's Office

505 South Main St, Ste. B

Bolivar, TN 38008

John Doolen
Sheriff

Greg Moore
Chief Deputy

CORRECTIVE ACTION PLAN

FINDING: THE OFFICE DID NOT DEPOSIT FUNDS WITHIN THREE DAYS OF COLLECTION

Response and Corrective Action Plan Prepared by:

Greg Moore, Chief Deputy

Person Responsible for Implementing the Corrective Action:

Greg Moore, Chief Deputy

Anticipated Completion Date of Corrective Action:

November 8, 2021

Repeat Finding:

No

Planned Corrective Action: Due to the recent Pandemic, the Office of The Sheriff has experienced personnel shortages causing deficiencies in performance and oversight, However, has reorganized and restructured personnel resources to take corrective measures necessary to make the appropriate deposits within three business days in order to be in compliance with Statute.

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 Hardeman County.

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

Hardeman County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.