



ANNUAL FINANCIAL REPORT

Hardin County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT
HARDIN 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

HARDIN COUNTY, TENNESSEE TABLE OF CONTENTS

| | Exhibit | Page(s) |
|---|---------|---------|
| Summary of Audit Findings | | 6-7 |
| <u>INTRODUCTORY SECTION</u> | | 8 |
| Hardin County Officials | | 9 |
| <u>FINANCIAL SECTION</u> | | 10 |
| Independent Auditor's Report | | 11-14 |
| BASIC FINANCIAL STATEMENTS: | | 15 |
| Government-wide Financial Statements: | | |
| Statement of Net Position | A | 16-18 |
| Statement of Activities | B | 19-20 |
| Fund Financial Statements: | | |
| Governmental Funds: | | |
| Balance Sheet | C-1 | 21-23 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | C-2 | 24 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | C-3 | 25-26 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | C-4 | 27 |
| Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget: | | |
| General Fund | C-5 | 28-31 |
| Highway/Public Works Fund | C-6 | 32 |
| Proprietary Fund: | | |
| Statement of Net Position | D-1 | 33 |
| Statement of Revenues, Expenses, and Changes in Net Position | D-2 | 34 |
| Statement of Cash Flows | D-3 | 35-36 |
| Fiduciary Funds: | | |
| Statement of Net Position | E-1 | 37 |
| Statement of Changes in Net Position | E-2 | 38 |
| Index and Notes to the Financial Statements | | 39-130 |
| REQUIRED SUPPLEMENTARY INFORMATION: | | 131 |
| Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government | F-1 | 132 |
| Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government | F-2 | 133 |
| Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Hardin County School Department | F-3 | 134 |
| Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hardin County School Department | F-4 | 135 |

| | Exhibit | Page(s) |
|--|---------|---------|
| Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Hardin County School Department | F-5 | 136 |
| Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hardin County School Department | F-6 | 137 |
| Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan - Primary Government | F-7 | 138 |
| Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Hardin County School Department | F-8 | 139 |
| Notes to the Required Supplementary Information | | 140 |
| COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES: | | 141 |
| Nonmajor Governmental Funds: | | 142 |
| Combining Balance Sheet | G-1 | 143-144 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | G-2 | 145-146 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget: | | |
| Solid Waste/Sanitation Fund | G-3 | 147-148 |
| Drug Control Fund | G-4 | 149 |
| Major Governmental Funds: | | 150 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget: | | |
| General Debt Service Fund | H-1 | 151 |
| Rural Debt Service Fund | H-2 | 152 |
| Fiduciary Funds: | | 153 |
| Combining Statement of Net Position – Custodial Funds | I-1 | 154 |
| Combining Statement of Changes in Net Position – Custodial Funds | I-2 | 155 |
| Component Unit: | | |
| Discretely Presented Hardin County School Department: | | 156 |
| Statement of Activities | J-1 | 157 |
| Balance Sheet – Governmental Funds | J-2 | 158-159 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | J-3 | 160 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | J-4 | 161-162 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | J-5 | 163 |
| Combining Balance Sheet – Nonmajor Governmental Funds | J-6 | 164 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds | J-7 | 165 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget: | | |
| General Purpose School Fund | J-8 | 166-167 |
| School Federal Projects Fund | J-9 | 168 |
| Central Cafeteria Fund | J-10 | 169 |
| Proprietary Fund: | | |
| Statement of Net Position | J-11 | 170 |
| Statement of Revenues, Expenses, and Changes in Net Position | J-12 | 171 |
| Statement of Cash Flows | J-13 | 172 |

| | Exhibit | Page(s) |
|---|---------|-------------|
| Miscellaneous Schedules: | | 173 |
| Schedule of Changes in Long-term Notes, Capital Leases, Other Loan, and Bonds | K-1 | 174-175 |
| Schedule of Long-term Debt Requirements by Year | K-2 | 176-177 |
| Schedule of Transfers - Primary Government and Discretely Presented Hardin County School Department | K-3 | 178 |
| Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Hardin County School Department | K-4 | 179 |
| Schedule of Detailed Revenues – All Governmental Fund Types | K-5 | 180-191 |
| Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hardin County School Department | K-6 | 192-194 |
| Schedule of Detailed Expenditures – All Governmental Fund Types | K-7 | 195-212 |
| Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hardin County School Department | K-8 | 213-225 |
| Schedule of Detailed Additions, Deductions, and Changes in Net Position – City Custodial Fund | K-9 | 226 |
| <u>SINGLE AUDIT SECTION</u> | | 227 |
| Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | | 228-229 |
| Auditor's 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 | | 230-232 |
| Schedule of Expenditures of Federal Awards and State Grants | | 233-235 |
| Summary Schedule of Prior-year Findings | | 236 |
| Schedule of Findings and Questioned Costs | | 237-241 |
| Management's Corrective Action Plan | | 242-245 |
| Best Practice | | 246 |

Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in four findings and recommendations, which we have reviewed with Hardin 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 HIGHWAY COMMISSIONER

- ◆ Allegations involving the Hardin County Highway Department and the former highway commissioner are currently under investigation.

OFFICE OF TRUSTEE

- ◆ The office maintained a duplicate set of receipts.
 - ◆ The office did not review its software audit logs.
-



OFFICE OF COUNTY CLERK

- ◆ A cash shortage of \$532 existed in the office during the year ended June 30, 2021.



INTRODUCTORY SECTION

Hardin County Officials
June 30, 2021

Officials

Kevin Davis, County Mayor
Steve Cromwell, Highway Commissioner
Michael Davis, Director of Schools
Linda McCasland, Trustee
Calvin Hinton, Assessor of Property
Paula Wilhite, County Clerk
Diane Polk, Circuit and General Sessions Courts Clerk
Martha Smith, Clerk and Master
Julie Gail Adkisson, Register of Deeds
Johnny Alexander, Sheriff
Dianne Prince, Accounting and Budget Director

Board of County Commissioners

Kevin Davis, County Mayor, Chairman
Stephen Ballard
Philip Blackwelder
Joseph Bonee
Larry Byrd
Nickie Cagle
Adam Coleman
Gary Combs
Mike Fowler
Wally Hamilton
Charles Holloway

Roger Jenkins
Mike Jerrolds
Brodie Johnson
Shirley Matlock
Fred McFalls, Jr.
Shane McGee
Paul Riddell
Kathy Smith
Glen Spencer
Emery White

Highway Commission

Kevin Davis, County Mayor, Secretary
Hugh Gresham

Billy Grooms
Carter Horton

Board of Education

Ron Ashe, Chairman
James David Baker
David Burgess
Jeanell Dennis
Justin Johnson

Janie Milender
Lonnie Miller
Bobby Tucker
Olga Turnbow
Gary Vickery

Audit Committee

David Davis, Chairman
Gary Combs
Greg Seaton
Kathy Smith
Emery White

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Hardin County Mayor and
Board of County Commissioners
Hardin 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 Hardin 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 Park Rest Hardin County Health Center (the entire business-type activities and a major fund). Also, we did not audit the financial statements of the discretely presented Hardin Medical Center component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Park Rest Hardin County Health Center and Hardin Medical Center is based solely on the reports of other auditors. We were unable to determine Hardin Medical Center's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Hardin County Emergency Communications District and the Hardin County Convention and Visitors Bureau, component units requiring discrete presentation, were not included in the county's financial statements. We also did not audit the financial statements of the Internal School Fund of the Hardin County School Department (a discretely presented component unit), which represent 2.1 percent, three percent, and 2.3 percent, respectively, of the assets, net position, and revenues of the discretely presented school department 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 Hardin 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 reports 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 Hardin 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., Hardin 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 \$610,281 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Hardin County School Department's net position totaling \$1,115,835 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and 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 Hardin 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 and Rural Debt Service funds, combining and individual fund financial statements of the Hardin 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 and Rural Debt Service funds, combining and individual fund financial statements of the Hardin 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 and Rural Debt Service funds, combining and individual fund financial statements of the Hardin County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2022, on our consideration of Hardin 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 Hardin 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 Hardin County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 18, 2022

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

| | Primary Government | | | Component Units | |
|---|----------------------------|---------------------------------|---------------|--|-----------------------------|
| | Governmental Activities | Business- type Activities | Total | Hardin County School Department | Hardin Medical Center |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 512 | \$ 1,036,018 | \$ 1,036,530 | \$ 1,177,193 | \$ 48,083,509 |
| Equity in Pooled Cash and Investments | 15,625,872 | 0 | 15,625,872 | 8,588,778 | 0 |
| Inventories | 0 | 17,426 | 17,426 | 0 | 1,125,582 |
| Accounts Receivable | 83,248 | 267,028 | 350,276 | 3,373 | 2,567,058 |
| Due from Other Governments | 1,288,772 | 540,356 | 1,829,128 | 1,754,925 | 0 |
| Due from Component Units | 2,110,623 | 0 | 2,110,623 | 0 | 0 |
| Property Taxes Receivable | 7,548,616 | 0 | 7,548,616 | 8,648,310 | 0 |
| Allowance for Uncollectible Property Taxes | (299,066) | 0 | (299,066) | (342,680) | 0 |
| Prepaid Items | 0 | 14,065 | 14,065 | 0 | 475,830 |
| Other Current Assets | 0 | 0 | 0 | 0 | 106,473 |
| Cash Shortage | 152 | 0 | 152 | 0 | 0 |
| Restricted Assets: | | | | | |
| Patient Trust | 0 | 76,355 | 76,355 | 0 | 0 |
| Amounts Accumulated for Pension Benefits | 0 | 0 | 0 | 182,556 | 0 |
| Net Pension Asset - Agent Plan | 2,095,886 | 0 | 2,095,886 | 902,950 | 0 |
| Net Pension Asset - Teacher Retirement Plan | 0 | 0 | 0 | 115,931 | 0 |
| Net Pension Asset - Teacher Legacy Pension Plan | 0 | 0 | 0 | 2,770,039 | 0 |
| Capital Assets: | | | | | |
| Assets Not Depreciated: | | | | | |
| Land | 2,575,249 | 26,700 | 2,601,949 | 1,217,760 | 331,033 |
| Construction in Progress | 192,257 | 0 | 192,257 | 1,420,079 | 1,066,917 |
| Assets Net of Accumulated Depreciation: | | | | | |
| Buildings and Improvements | 8,160,822 | 143,451 | 8,304,273 | 30,190,156 | 9,109,589 |
| Infrastructure | 7,251,670 | 0 | 7,251,670 | 0 | 0 |
| Other Capital Assets | 3,081,441 | 24,873 | 3,106,314 | 548,893 | 2,483,790 |
| Total Assets | \$ 49,716,054 | \$ 2,146,272 | \$ 51,862,326 | \$ 57,178,263 | \$ 65,349,781 |

(Continued)

Exhibit A

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

| | Primary Government | | | Component Units | |
|---|----------------------------|---------------------------------|---------------|--|-----------------------------|
| | Governmental Activities | Business- type Activities | Total | Hardin County School Department | Hardin Medical Center |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | | | |
| Deferred Amount on Refunding | \$ 559,313 | \$ 0 | \$ 559,313 | \$ 0 | \$ 0 |
| Pension Changes in Experience | 75,501 | 0 | 75,501 | 142,139 | 0 |
| Pension Changes in Investment Earnings | 159,075 | 0 | 159,075 | 696,637 | 177,791 |
| Pension Changes in Assumptions | 93,344 | 0 | 93,344 | 295,495 | 0 |
| Pension Changes in Proportion | 0 | 0 | 0 | 25,212 | 0 |
| Pension Contributions After Measurement Date | 392,727 | 0 | 392,727 | 1,497,136 | 422,102 |
| OPEB Changes in Assumptions | 47,875 | 0 | 47,875 | 670,567 | 0 |
| OPEB Contributions After Measurement Date | 9,482 | 0 | 9,482 | 353,740 | 0 |
| Total Deferred Outflows of Resources | \$ 1,337,317 | \$ 0 | \$ 1,337,317 | \$ 3,680,926 | \$ 599,893 |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 110,441 | \$ 54,100 | \$ 164,541 | \$ 291,153 | \$ 2,778,847 |
| Accrued Management Fee | 0 | 995,568 | 995,568 | 0 | 0 |
| Other Accrued Expenses | 0 | 82,333 | 82,333 | 0 | 2,440,815 |
| Accrued Payroll | 166,899 | 0 | 166,899 | 0 | 0 |
| Payroll Deductions Payable | 13,816 | 0 | 13,816 | 180,352 | 0 |
| Contracts Payable | 0 | 0 | 0 | 542,482 | 0 |
| Retainage Payable | 0 | 0 | 0 | 28,552 | 0 |
| Due to Primary Government | 0 | 0 | 0 | 2,108,016 | 0 |
| Accrued Interest Payable | 109,993 | 0 | 109,993 | 0 | 0 |
| Estimated third-party settlements | 0 | 0 | 0 | 0 | 160,614 |
| Deferred Revenues | 0 | 316,764 | 316,764 | 0 | 4,635 |
| Current Liabilities Payable from Restricted Assets: | | | | | |
| Patient Trust | 0 | 76,355 | 76,355 | 0 | 0 |
| Noncurrent Liabilities: | | | | | |
| Due Within One Year - Debt | 2,367,175 | 0 | 2,367,175 | 0 | 492,785 |
| Due Within One Year - Other | 174,505 | 0 | 174,505 | 25,882 | 0 |
| Due in More Than One Year - Debt | 34,490,268 | 0 | 34,490,268 | 0 | 6,090,716 |
| Due in More Than One Year - Other | 632,242 | 0 | 632,242 | 6,921,658 | 2,399,434 |
| Total Liabilities | \$ 38,065,339 | \$ 1,525,120 | \$ 39,590,459 | \$ 10,098,095 | \$ 14,367,846 |

(Continued)

Exhibit A

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

| | Primary Government | | | Component Units | |
|---|----------------------------|---------------------------------|---------------|--|-----------------------------|
| | Governmental Activities | Business- type Activities | Total | Hardin County School Department | Hardin Medical Center |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred Current Property Taxes | \$ 7,038,918 | \$ 0 | \$ 7,038,918 | \$ 8,065,426 | \$ 0 |
| Pension Changes in Experience | 247,180 | 0 | 247,180 | 1,467,328 | 0 |
| Pension Changes in Proportion | 0 | 0 | 0 | 26,825 | 0 |
| OPEB Changes in Experience | 140,634 | 0 | 140,634 | 1,144,484 | 0 |
| OPEB Changes in Assumptions | 10,462 | 0 | 10,462 | 518,991 | 0 |
| OPEB Changes in Proportion | 0 | 0 | 0 | 358,246 | 0 |
| Total Deferred Inflows of Resources | \$ 7,437,194 | \$ 0 | \$ 7,437,194 | \$ 11,581,300 | \$ 0 |
| <u>NET POSITION</u> | | | | | |
| Net Investment in Capital Assets | \$ 12,518,542 | \$ 195,024 | \$ 12,713,566 | \$ 33,376,888 | \$ 8,484,184 |
| Restricted for: | | | | | |
| General Government | 263,610 | 0 | 263,610 | 0 | 0 |
| Finance | 34,097 | 0 | 34,097 | 0 | 0 |
| Administration of Justice | 128,298 | 0 | 128,298 | 0 | 0 |
| Public Safety | 181,912 | 0 | 181,912 | 0 | 0 |
| Public Health and Welfare | 140,799 | 0 | 140,799 | 0 | 0 |
| Social, Cultural, and Recreational Services | 457,568 | 0 | 457,568 | 0 | 0 |
| Highway/Public Works | 1,171,212 | 0 | 1,171,212 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 2,619 | 0 |
| Debt Service | 5,128,582 | 0 | 5,128,582 | 0 | 0 |
| Education | 0 | 0 | 0 | 1,179,999 | 0 |
| Operation of Non-instructional Services | 0 | 0 | 0 | 1,286,470 | 0 |
| Hybrid Retirement Stabilization Funds | 0 | 0 | 0 | 182,556 | 0 |
| Pensions | 2,095,886 | 0 | 2,095,886 | 3,788,920 | 0 |
| Unrestricted | (16,569,668) | 426,128 | (16,143,540) | (637,658) | 43,097,644 |
| Total Net Position | \$ 5,550,838 | \$ 621,152 | \$ 6,171,990 | \$ 39,179,794 | \$ 51,581,828 |

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

Exhibit B

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

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units | |
|--|----------------------|----------------------------|---|---|---|---------------------------------|-----------------------|--|-----------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Hardin County School Department | Hardin Medical Center |
| | | | | | Total Governmental Activities | Business- type Activities | Total | | |
| Primary Government: | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| General Government | \$ 3,465,501 | \$ 316,865 | \$ 1,186,239 | \$ 0 | \$ (1,962,397) | \$ 0 | \$ (1,962,397) | \$ 0 | \$ 0 |
| Finance | 1,124,601 | 991,845 | 10,307 | 0 | (122,449) | 0 | (122,449) | 0 | 0 |
| Administration of Justice | 886,190 | 453,647 | 69,768 | 0 | (362,775) | 0 | (362,775) | 0 | 0 |
| Public Safety | 5,793,787 | 585,675 | 83,936 | 0 | (5,124,176) | 0 | (5,124,176) | 0 | 0 |
| Public Health and Welfare | 2,583,982 | 388,001 | 513,805 | 0 | (1,682,176) | 0 | (1,682,176) | 0 | 0 |
| Social, Cultural, and Recreational Services | 525,266 | 5,485 | 61,181 | 0 | (458,600) | 0 | (458,600) | 0 | 0 |
| Agriculture and Natural Resources | 175,928 | 126,643 | 0 | 0 | (49,285) | 0 | (49,285) | 0 | 0 |
| Highways/Public Works | 4,046,112 | 0 | 2,931,183 | 1,512,449 | 397,520 | 0 | 397,520 | 0 | 0 |
| Interest on Long-term Debt | 1,345,855 | 0 | 2,848,858 | 0 | 1,503,003 | 0 | 1,503,003 | 0 | 0 |
| Total Governmental Activities | \$ 19,947,222 | \$ 2,868,161 | \$ 7,705,277 | \$ 1,512,449 | \$ (7,861,335) | \$ 0 | \$ (7,861,335) | \$ 0 | \$ 0 |
| Business-type Activities: | | | | | | | | | |
| Park Rest Hardin County Health Center | \$ 3,256,435 | \$ 3,873,185 | \$ 0 | \$ 0 | \$ 0 | \$ 616,750 | \$ 616,750 | \$ 0 | \$ 0 |
| Total Primary Government | \$ 23,203,657 | \$ 6,741,346 | \$ 7,705,277 | \$ 1,512,449 | \$ (7,861,335) | \$ 616,750 | \$ (7,244,585) | \$ 0 | \$ 0 |
| Component Units: | | | | | | | | | |
| Hardin County School Department | \$ 39,574,547 | \$ 315,695 | \$ 6,061,024 | \$ 4,084,724 | \$ 0 | \$ 0 | \$ 0 | \$ (29,113,104) | \$ 0 |
| Hardin Medical Center | 37,324,159 | 36,352,534 | 362,081 | 0 | 0 | 0 | 0 | 0 | (609,544) |
| Total Component Units | \$ 76,898,706 | \$ 36,668,229 | \$ 6,423,105 | \$ 4,084,724 | \$ 0 | \$ 0 | \$ 0 | \$ (29,113,104) | \$ (609,544) |

(Continued)

Exhibit B

Hardin County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | |
|--|----------|----------------------------|---|---|---|---------------------------------|----------------------|--|-----------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Units | |
| | | | | | Total Governmental Activities | Business- type Activities | Total | Hardin County School Department | Hardin Medical Center |
| General Revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 7,093,429 | \$ 0 | \$ 7,093,429 | \$ 8,386,320 | \$ 0 |
| Property Taxes Levied for Debt Service | | | | | 229,246 | 0 | 229,246 | 0 | 0 |
| Local Option Sales Taxes | | | | | 1,480,163 | 0 | 1,480,163 | 6,059,513 | 0 |
| Hotel/Motel Tax | | | | | 290,713 | 0 | 290,713 | 0 | 0 |
| Wheel Tax | | | | | 1,174,287 | 0 | 1,174,287 | 0 | 0 |
| Litigation Tax | | | | | 149,049 | 0 | 149,049 | 0 | 0 |
| Business Tax | | | | | 447,219 | 0 | 447,219 | 0 | 0 |
| Mineral Severance Tax | | | | | 55,288 | 0 | 55,288 | 0 | 0 |
| Wholesale Beer Tax | | | | | 263,963 | 0 | 263,963 | 0 | 0 |
| Other Local Taxes | | | | | 32,268 | 0 | 32,268 | 33,073 | 0 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 2,170,996 | 0 | 2,170,996 | 18,395,812 | 0 |
| Unrestricted Investment Income | | | | | 88,985 | 1,962 | 90,947 | 0 | 6,759,592 |
| Miscellaneous | | | | | 252,052 | 124 | 252,176 | 25,443 | 3,298,292 |
| Total General Revenues | | | | | \$ 13,727,658 | \$ 2,086 | \$ 13,729,744 | \$ 32,900,161 | \$ 10,057,884 |
| Change in Net Position | | | | | \$ 5,866,323 | \$ 618,836 | \$ 6,485,159 | \$ 3,787,057 | \$ 9,448,340 |
| Net Position, July 1, 2020 | | | | | (315,485) | 2,316 | (313,169) | 34,276,902 | 42,133,488 |
| Restatement - See Note I.D.9. | | | | | 0 | 0 | 0 | 1,115,835 | 0 |
| Net Position, June 30, 2021 | | | | | \$ 5,550,838 | \$ 621,152 | \$ 6,171,990 | \$ 39,179,794 | \$ 51,581,828 |

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

Exhibit C-1

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

| | Major Funds | | | | Nonmajor Funds | Total Governmental Funds |
|--|---------------|------------------------------|----------------------------|--------------------------|-------------------------------------|--------------------------------|
| | General | Highway / Public Works | General Debt Service | Rural Debt Service | Other Govern- mental Funds | |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 512 | \$ 512 |
| Equity in Pooled Cash and Investments | 7,000,022 | 2,523,489 | 2,059,476 | 3,420,784 | 622,101 | 15,625,872 |
| Accounts Receivable | 36,272 | 0 | 9,066 | 0 | 37,910 | 83,248 |
| Due from Other Governments | 462,024 | 499,130 | 0 | 107,906 | 219,712 | 1,288,772 |
| Due from Other Funds | 664 | 0 | 86,983 | 0 | 0 | 87,647 |
| Due from Component Units | 0 | 0 | 2,607 | 392,843 | 0 | 395,450 |
| Property Taxes Receivable | 6,289,680 | 786,210 | 235,863 | 0 | 236,863 | 7,548,616 |
| Allowance for Uncollectible Property Taxes | (249,222) | (31,152) | (9,346) | 0 | (9,346) | (299,066) |
| Cash Shortage | 0 | 0 | 0 | 0 | 152 | 152 |
| Total Assets | \$ 13,539,440 | \$ 3,777,677 | \$ 2,384,649 | \$ 3,921,533 | \$ 1,107,904 | \$ 24,731,203 |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 105,702 | \$ 0 | \$ 0 | \$ 0 | \$ 4,739 | \$ 110,441 |
| Accrued Payroll | 145,005 | 0 | 0 | 0 | 21,894 | 166,899 |
| Payroll Deductions Payable | 11,362 | 312 | 0 | 0 | 2,142 | 13,816 |
| Due to Other Funds | 86,983 | 0 | 0 | 0 | 664 | 87,647 |
| Total Liabilities | \$ 349,052 | \$ 312 | \$ 0 | \$ 0 | \$ 29,439 | \$ 378,803 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Deferred Current Property Taxes | \$ 5,865,765 | \$ 733,221 | \$ 219,966 | \$ 0 | \$ 219,966 | \$ 7,038,918 |
| Deferred Delinquent Property Taxes | 153,928 | 19,241 | 5,772 | 0 | 6,772 | 185,713 |
| Other Deferred/Unavailable Revenue | 216,978 | 245,494 | 0 | 247,299 | 105,064 | 814,835 |
| Total Deferred Inflows of Resources | \$ 6,236,671 | \$ 997,956 | \$ 225,738 | \$ 247,299 | \$ 331,802 | \$ 8,039,466 |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | Nonmajor | Total |
|--|-------------|------------------------------|----------------------------|--------------------------|--|-----------|
| | General | Highway / Public Works | General Debt Service | Rural Debt Service | Funds Other Govern- mental Funds | |
| <u>FUND BALANCES</u> | | | | | | |
| Restricted: | | | | | | |
| Restricted for General Government | \$ 13,683 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 13,683 |
| Restricted for Finance | 34,097 | 0 | 0 | 0 | 0 | 34,097 |
| Restricted for Administration of Justice | 128,298 | 0 | 0 | 0 | 0 | 128,298 |
| Restricted for Public Safety | 107,018 | 0 | 0 | 0 | 74,894 | 181,912 |
| Restricted for Public Health and Welfare | 28,963 | 0 | 0 | 0 | 0 | 28,963 |
| Restricted for Social, Cultural, and Recreational Services | 457,568 | 0 | 0 | 0 | 0 | 457,568 |
| Restricted for Other Operations | 93,615 | 0 | 0 | 0 | 0 | 93,615 |
| Restricted for Highways/Public Works | 0 | 926,834 | 0 | 0 | 0 | 926,834 |
| Restricted for Debt Service | 0 | 0 | 740,616 | 3,674,234 | 0 | 4,414,850 |
| Restricted for Other Purposes | 47,439 | 0 | 0 | 0 | 0 | 47,439 |
| Committed: | | | | | | |
| Committed for General Government | 1,345,126 | 0 | 0 | 0 | 0 | 1,345,126 |
| Committed for Administration of Justice | 63,115 | 0 | 0 | 0 | 0 | 63,115 |
| Committed for Public Safety | 473,424 | 0 | 0 | 0 | 0 | 473,424 |
| Committed for Public Health and Welfare | 219,898 | 0 | 0 | 0 | 671,769 | 891,667 |
| Committed for Social, Cultural, and Recreational Services | 3,600 | 0 | 0 | 0 | 0 | 3,600 |
| Committed for Highways/Public Works | 0 | 1,852,575 | 0 | 0 | 0 | 1,852,575 |
| Committed for Debt Service | 0 | 0 | 1,418,295 | 0 | 0 | 1,418,295 |
| Committed for Other Purposes | 10,101 | 0 | 0 | 0 | 0 | 10,101 |
| Assigned: | | | | | | |
| Assigned for General Government | 152,101 | 0 | 0 | 0 | 0 | 152,101 |
| Assigned for Finance | 942 | 0 | 0 | 0 | 0 | 942 |
| Assigned for Administration of Justice | 8,429 | 0 | 0 | 0 | 0 | 8,429 |
| Assigned for Public Safety | 20,828 | 0 | 0 | 0 | 0 | 20,828 |
| Assigned for Public Health and Welfare | 1,036 | 0 | 0 | 0 | 0 | 1,036 |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | Nonmajor | Total |
|---|----------------------|------------------------------|----------------------------|--------------------------|--|----------------------|
| | General | Highway / Public Works | General Debt Service | Rural Debt Service | Funds Other Govern- mental Funds | |
| <u>FUND BALANCES (Cont.)</u> | | | | | | |
| Assigned (Cont.): | | | | | | |
| Assigned for Social, Cultural, and Recreational Services | \$ 3,356 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3,356 |
| Assigned for Agriculture and Natural Resources | 300 | 0 | 0 | 0 | 0 | 300 |
| Unassigned | 3,740,780 | 0 | 0 | 0 | 0 | 3,740,780 |
| Total Fund Balances | <u>\$ 6,953,717</u> | <u>\$ 2,779,409</u> | <u>\$ 2,158,911</u> | <u>\$ 3,674,234</u> | <u>\$ 746,663</u> | <u>\$ 16,312,934</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 13,539,440</u> | <u>\$ 3,777,677</u> | <u>\$ 2,384,649</u> | <u>\$ 3,921,533</u> | <u>\$ 1,107,904</u> | <u>\$ 24,731,203</u> |

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

Exhibit C-2

Hardin 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) | | \$ 16,312,934 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 2,575,249 | |
| Add: construction in progress | 192,257 | |
| Add: buildings and improvements net of accumulated depreciation | 8,160,822 | |
| Add: infrastructure net of accumulated depreciation | 7,251,670 | |
| Add: other capital assets net of accumulated depreciation | <u>3,081,441</u> | 21,261,439 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: notes payable | \$ (182,068) | |
| Less: capital leases payable | (1,287,368) | |
| Less: bonds payable | (32,015,000) | |
| Less: other loan payable | (913,531) | |
| Add: debt to be contributed from the school department | 1,715,173 | |
| Add: deferred amount on refunding | 559,313 | |
| Less: compensated absences payable | (183,588) | |
| Less: landfill postclosure care costs | (282,704) | |
| Less: net OPEB liability | (340,455) | |
| Less: accrued interest payable | (109,993) | |
| Less: other deferred revenue - premium on debt | <u>(2,459,476)</u> | (35,499,697) |
| (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 | \$ 720,647 | |
| Less: deferred inflows of resources related to pensions | (247,180) | |
| Add: deferred outflows of resources related to OPEB | 57,357 | |
| Less: deferred inflows of resources related to OPEB | <u>(151,096)</u> | 379,728 |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds. | | 2,095,886 |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>1,000,548</u> |
| Net position of governmental activities (Exhibit A) | | <u>\$ 5,550,838</u> |

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

Exhibit C-3

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

| | Major Funds | | | | Nonmajor Funds | Total Governmental Funds |
|---|----------------------|------------------------------|----------------------------|--------------------------|-------------------------------------|--------------------------------|
| | General | Highway / Public Works | General Debt Service | Rural Debt Service | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 8,351,051 | \$ 938,948 | \$ 229,066 | \$ 527,131 | \$ 1,285,559 | \$ 11,331,755 |
| Licenses and Permits | 105,258 | 0 | 0 | 0 | 0 | 105,258 |
| Fines, Forfeitures, and Penalties | 102,157 | 0 | 0 | 0 | 7,165 | 109,322 |
| Charges for Current Services | 133,901 | 0 | 0 | 0 | 390,836 | 524,737 |
| Other Local Revenues | 392,202 | 16,544 | 154,179 | 7,178 | 588 | 570,691 |
| Fees Received From County Officials | 1,539,132 | 0 | 0 | 0 | 0 | 1,539,132 |
| State of Tennessee | 3,438,210 | 3,544,199 | 21,400 | 0 | 44,752 | 7,048,561 |
| Federal Government | 639,782 | 924,233 | 0 | 0 | 65,102 | 1,629,117 |
| Other Governments and Citizens Groups | 129,076 | 0 | 623,223 | 2,423,751 | 8,983 | 3,185,033 |
| Total Revenues | \$ 14,830,769 | \$ 5,423,924 | \$ 1,027,868 | \$ 2,958,060 | \$ 1,802,985 | \$ 26,043,606 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | \$ 1,850,858 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,850,858 |
| Finance | 875,693 | 0 | 0 | 0 | 0 | 875,693 |
| Administration of Justice | 641,132 | 0 | 0 | 0 | 2,835 | 643,967 |
| Public Safety | 4,206,037 | 0 | 0 | 0 | 46,605 | 4,252,642 |
| Public Health and Welfare | 808,292 | 0 | 0 | 0 | 1,649,109 | 2,457,401 |
| Social, Cultural, and Recreational Services | 327,006 | 0 | 0 | 0 | 0 | 327,006 |
| Agriculture and Natural Resources | 151,706 | 0 | 0 | 0 | 0 | 151,706 |
| Other Operations | 4,112,211 | 0 | 0 | 0 | 204,805 | 4,317,016 |
| Highways | 0 | 3,713,339 | 0 | 0 | 0 | 3,713,339 |
| Debt Service: | | | | | | |
| Principal on Debt | 90,323 | 90,656 | 1,369,357 | 1,420,000 | 0 | 2,970,336 |
| Interest on Debt | 17,875 | 4,024 | 246,318 | 1,016,025 | 0 | 1,284,242 |
| Other Debt Service | 0 | 0 | 36,112 | 5,639 | 0 | 41,751 |
| Total Expenditures | \$ 13,081,133 | \$ 3,808,019 | \$ 1,651,787 | \$ 2,441,664 | \$ 1,903,354 | \$ 22,885,957 |

(Continued)

Exhibit C-3

Hardin 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 | Rural Debt Service | Other Govern- mental Funds | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 1,749,636 | \$ 1,615,905 | \$ (623,919) | \$ 516,396 | \$ (100,369) | \$ 3,157,649 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Insurance Recovery | \$ 26,328 | \$ 0 | \$ 0 | \$ 0 | \$ 5,753 | \$ 32,081 |
| Transfers In | 0 | 0 | 811,483 | 0 | 80,350 | 891,833 |
| Transfers Out | (685,433) | (206,400) | 0 | 0 | 0 | (891,833) |
| Total Other Financing Sources (Uses) | \$ (659,105) | \$ (206,400) | \$ 811,483 | \$ 0 | \$ 86,103 | \$ 32,081 |
| Net Change in Fund Balances | \$ 1,090,531 | \$ 1,409,505 | \$ 187,564 | \$ 516,396 | \$ (14,266) | \$ 3,189,730 |
| Fund Balance, July 1, 2020 | 5,863,186 | 1,369,904 | 1,971,347 | 3,157,838 | 760,929 | 13,123,204 |
| Fund Balance, June 30, 2021 | \$ 6,953,717 | \$ 2,779,409 | \$ 2,158,911 | \$ 3,674,234 | \$ 746,663 | \$ 16,312,934 |

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

Exhibit C-4

Hardin 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) | | \$ 3,189,730 |
| | | |
| (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 | \$ 1,949,144 | |
| Less: current-year depreciation expense | <u>(2,349,843)</u> | (400,699) |
| | | |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. | | |
| Less: proceeds received on disposal of capital assets | | (3,457) |
| | | |
| (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 | \$ 1,000,548 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2020 | <u>(921,657)</u> | 78,891 |
| | | |
| (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 effect of these differences in the treatment of long-term debt and related items. | | |
| Less: change in deferred amount on refunding | \$ (75,566) | |
| Add: change in premium on debt issuances | 244,381 | |
| Add: principal payments on notes | 229,487 | |
| Add: principal payments on capital leases | 367,873 | |
| Add: principal payments on bonds | 1,955,000 | |
| Add: principal payments on other loan | 107,976 | |
| Less: contributions from the school department for the other loan | (107,976) | |
| Less: contributions from the school department for the capital lease | <u>(131,900)</u> | 2,589,275 |
| | | |
| (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 | \$ 13,953 | |
| Change in compensated absences payable | 8,652 | |
| Change in landfill postclosure care costs | 4,157 | |
| Change in net OPEB liability | (42,035) | |
| Change in deferred outflows related to OPEB | 23,942 | |
| Change in deferred inflows related to OPEB | (2,044) | |
| Change in net pension asset | (232,235) | |
| Change in deferred outflows related to pensions | 147,690 | |
| Change in deferred inflows related to pensions | <u>490,503</u> | 412,583 |
| | | |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 5,866,323</u> |

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

Exhibit C-5

Hardin 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 | \$ 8,351,051 | \$ 0 | \$ 0 | \$ 8,351,051 | \$ 8,045,442 | \$ 8,080,442 | \$ 270,609 |
| Licenses and Permits | 105,258 | 0 | 0 | 105,258 | 110,350 | 110,350 | (5,092) |
| Fines, Forfeitures, and Penalties | 102,157 | 0 | 0 | 102,157 | 122,350 | 122,350 | (20,193) |
| Charges for Current Services | 133,901 | 0 | 0 | 133,901 | 114,700 | 114,700 | 19,201 |
| Other Local Revenues | 392,202 | 0 | 0 | 392,202 | 207,800 | 277,936 | 114,266 |
| Fees Received From County Officials | 1,539,132 | 0 | 0 | 1,539,132 | 1,363,000 | 1,363,000 | 176,132 |
| State of Tennessee | 3,438,210 | 0 | 0 | 3,438,210 | 3,005,193 | 3,278,438 | 159,772 |
| Federal Government | 639,782 | 0 | 0 | 639,782 | 37,500 | 385,151 | 254,631 |
| Other Governments and Citizens Groups | 129,076 | 0 | 0 | 129,076 | 90,500 | 90,500 | 38,576 |
| Total Revenues | \$ 14,830,769 | \$ 0 | \$ 0 | \$ 14,830,769 | \$ 13,096,835 | \$ 13,822,867 | \$ 1,007,902 |
| <u>Expenditures</u> | | | | | | | |
| <u>General Government</u> | | | | | | | |
| County Commission | \$ 64,402 | \$ 0 | \$ 0 | \$ 64,402 | \$ 83,049 | \$ 83,049 | \$ 18,647 |
| Board of Equalization | 1,200 | 0 | 0 | 1,200 | 1,500 | 1,500 | 300 |
| Beer Board | 3,244 | 0 | 0 | 3,244 | 4,075 | 4,075 | 831 |
| Other Boards and Committees | 200 | 0 | 0 | 200 | 1,700 | 1,700 | 1,500 |
| County Mayor/Executive | 157,283 | (2,324) | 3,303 | 158,262 | 160,171 | 160,171 | 1,909 |
| County Attorney | 3,390 | 0 | 0 | 3,390 | 5,000 | 5,000 | 1,610 |
| Election Commission | 206,977 | 0 | 0 | 206,977 | 217,142 | 245,458 | 38,481 |
| Register of Deeds | 158,445 | (1,172) | 1,237 | 158,510 | 159,237 | 159,472 | 962 |
| County Buildings | 1,255,717 | (14,285) | 16,625 | 1,258,057 | 1,310,283 | 1,340,499 | 82,442 |
| <u>Finance</u> | | | | | | | |
| Accounting and Budgeting | 156,583 | 0 | 942 | 157,525 | 166,521 | 166,521 | 8,996 |
| Property Assessor's Office | 192,892 | 0 | 0 | 192,892 | 200,226 | 200,226 | 7,334 |
| Reappraisal Program | 47,776 | 0 | 0 | 47,776 | 56,625 | 56,625 | 8,849 |
| County Trustee's Office | 181,738 | (30) | 0 | 181,708 | 194,537 | 194,537 | 12,829 |
| County Clerk's Office | 296,704 | 0 | 0 | 296,704 | 301,468 | 304,068 | 7,364 |
| <u>Administration of Justice</u> | | | | | | | |
| Circuit Court | 323,927 | 0 | 2,390 | 326,317 | 341,049 | 345,079 | 18,762 |

(Continued)

Exhibit C-5

Hardin 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>Administration of Justice (Cont.)</u> | | | | | | | |
| General Sessions Court | \$ 162,731 | \$ 0 | \$ 0 | \$ 162,731 | \$ 166,839 | \$ 166,839 | \$ 4,108 |
| Drug Court | 6,433 | (6,433) | 5,900 | 5,900 | 5,900 | 5,900 | 0 |
| Chancery Court | 148,041 | (540) | 139 | 147,640 | 154,950 | 154,950 | 7,310 |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | 1,449,871 | (6,213) | 2,032 | 1,445,690 | 1,640,541 | 1,597,986 | 152,296 |
| Traffic Control | 15,786 | 0 | 0 | 15,786 | 5,150 | 29,564 | 13,778 |
| Administration of the Sexual Offender Registry | 140 | 0 | 104 | 244 | 2,800 | 2,800 | 2,556 |
| Jail | 1,365,269 | (3,697) | 16,863 | 1,378,435 | 1,638,017 | 1,506,385 | 127,950 |
| Juvenile Services | 123,678 | 0 | 481 | 124,159 | 131,934 | 131,934 | 7,775 |
| Fire Prevention and Control | 837,382 | (18,487) | 670 | 819,565 | 644,352 | 840,174 | 20,609 |
| Civil Defense | 124,385 | (1,851) | 678 | 123,212 | 104,572 | 123,694 | 482 |
| Other Public Safety | 289,526 | 0 | 0 | 289,526 | 289,608 | 289,608 | 82 |
| <u>Public Health and Welfare</u> | | | | | | | |
| Local Health Center | 162,508 | 0 | 118 | 162,626 | 218,100 | 218,100 | 55,474 |
| Rabies and Animal Control | 333,297 | (1,010) | 681 | 332,968 | 335,285 | 360,967 | 27,999 |
| Ambulance/Emergency Medical Services | 139,524 | 0 | 0 | 139,524 | 154,900 | 154,900 | 15,376 |
| Alcohol and Drug Programs | 47,157 | 0 | 0 | 47,157 | 70,000 | 70,000 | 22,843 |
| Crippled Children Services | 2,005 | 0 | 0 | 2,005 | 2,005 | 2,005 | 0 |
| General Welfare Assistance | 3,100 | 0 | 0 | 3,100 | 4,100 | 4,100 | 1,000 |
| Other Local Welfare Services | 10,000 | 0 | 0 | 10,000 | 10,000 | 10,000 | 0 |
| Sanitation Education/Information | 110,701 | (1,324) | 237 | 109,614 | 115,463 | 115,463 | 5,849 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Senior Citizens Assistance | 65,241 | 0 | 0 | 65,241 | 84,461 | 88,546 | 23,305 |
| Libraries | 232,125 | (98) | 3,356 | 235,383 | 651,621 | 653,921 | 418,538 |
| Other Social, Cultural, and Recreational | 29,640 | 0 | 0 | 29,640 | 60,000 | 60,000 | 30,360 |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agricultural Extension Service | 83,402 | 0 | 0 | 83,402 | 89,703 | 89,703 | 6,301 |
| Forest Service | 1,000 | 0 | 0 | 1,000 | 1,000 | 1,000 | 0 |
| Soil Conservation | 28,108 | 0 | 0 | 28,108 | 28,108 | 28,108 | 0 |

(Continued)

Exhibit C-5

Hardin 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>Agriculture and Natural Resources (Cont.)</u> | | | | | | | |
| Flood Control | \$ 38,267 | \$ 0 | \$ 0 | \$ 38,267 | \$ 38,500 | \$ 38,500 | \$ 233 |
| Other Agriculture and Natural Resources | 929 | 0 | 300 | 1,229 | 6,500 | 6,500 | 5,271 |
| <u>Other Operations</u> | | | | | | | |
| Tourism | 255,567 | 0 | 44,262 | 299,829 | 270,000 | 305,000 | 5,171 |
| Tourism - Resort District | 988,809 | (78,406) | 82,098 | 992,501 | 852,000 | 1,026,500 | 33,999 |
| Industrial Development | 79,441 | 0 | 0 | 79,441 | 79,707 | 79,707 | 266 |
| Other Economic and Community Development | 13,756 | (1,558) | 3,165 | 15,363 | 16,321 | 16,321 | 958 |
| Airport | 35,000 | 0 | 0 | 35,000 | 35,000 | 35,000 | 0 |
| Veterans' Services | 61,324 | 0 | 0 | 61,324 | 63,830 | 63,830 | 2,506 |
| Other Charges | 328,357 | 0 | 0 | 328,357 | 332,738 | 342,738 | 14,381 |
| Contributions to Other Agencies | 23,500 | 0 | 0 | 23,500 | 23,500 | 23,500 | 0 |
| Employee Benefits | 1,643,816 | 0 | 0 | 1,643,816 | 1,763,300 | 1,763,300 | 119,484 |
| COVID-19 Grant #1 | 41,748 | 0 | 0 | 41,748 | 0 | 41,748 | 0 |
| COVID-19 Grant #2 | 457,160 | 0 | 660 | 457,820 | 0 | 487,795 | 29,975 |
| COVID-19 Grant #3 | 9,731 | 0 | 0 | 9,731 | 0 | 9,866 | 135 |
| COVID-19 Grant #4 | 2,288 | 0 | 0 | 2,288 | 0 | 2,288 | 0 |
| COVID-19 Grant A | 142,093 | 0 | 0 | 142,093 | 0 | 142,093 | 0 |
| COVID-19 Grant B | 22,744 | 0 | 0 | 22,744 | 0 | 22,744 | 0 |
| Miscellaneous | 6,877 | 0 | 751 | 7,628 | 7,700 | 7,700 | 72 |
| <u>Principal on Debt</u> | | | | | | | |
| General Government | 90,323 | 0 | 0 | 90,323 | 0 | 90,323 | 0 |
| <u>Interest on Debt</u> | | | | | | | |
| General Government | 17,875 | 0 | 0 | 17,875 | 0 | 17,875 | 0 |
| Total Expenditures | \$ 13,081,133 | \$ (137,428) | \$ 186,992 | \$ 13,130,697 | \$ 13,301,088 | \$ 14,497,955 | \$ 1,367,258 |
| Excess (Deficiency) of Revenues | | | | | | | |
| Over Expenditures | \$ 1,749,636 | \$ 137,428 | \$ (186,992) | \$ 1,700,072 | \$ (204,253) | \$ (675,088) | \$ 2,375,160 |

(Continued)

Exhibit C-5

Hardin 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>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 26,328 | \$ 0 | \$ 0 | \$ 26,328 | \$ 0 | \$ 26,328 | \$ 0 |
| Transfers Out | (685,433) | 0 | 0 | (685,433) | (598,450) | (685,433) | 0 |
| Total Other Financing Sources | \$ (659,105) | \$ 0 | \$ 0 | \$ (659,105) | \$ (598,450) | \$ (659,105) | \$ 0 |
| Net Change in Fund Balance | \$ 1,090,531 | \$ 137,428 | \$ (186,992) | \$ 1,040,967 | \$ (802,703) | \$ (1,334,193) | \$ 2,375,160 |
| Fund Balance, July 1, 2020 | 5,863,186 | (137,428) | 0 | 5,725,758 | 5,137,707 | 5,137,707 | 588,051 |
| Fund Balance, June 30, 2021 | \$ 6,953,717 | \$ 0 | \$ (186,992) | \$ 6,766,725 | \$ 4,335,004 | \$ 3,803,514 | \$ 2,963,211 |

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

Exhibit C-6

Hardin 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 | \$ 938,948 | \$ 1,008,900 | \$ 1,008,900 | \$ (69,952) |
| Other Local Revenues | 16,544 | 35,000 | 35,000 | (18,456) |
| State of Tennessee | 3,544,199 | 3,401,066 | 3,401,066 | 143,133 |
| Federal Government | 924,233 | 78,000 | 839,202 | 85,031 |
| Total Revenues | <u>\$ 5,423,924</u> | <u>\$ 4,522,966</u> | <u>\$ 5,284,168</u> | <u>\$ 139,756</u> |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 324,731 | \$ 342,964 | \$ 344,949 | \$ 20,218 |
| Highway and Bridge Maintenance | 1,350,738 | 1,242,830 | 1,490,701 | 139,963 |
| Operation and Maintenance of Equipment | 422,970 | 493,645 | 515,365 | 92,395 |
| Other Charges | 206,565 | 211,000 | 214,179 | 7,614 |
| Employee Benefits | 386,171 | 438,986 | 438,986 | 52,815 |
| Capital Outlay | 1,022,164 | 1,515,580 | 1,629,630 | 607,466 |
| <u>Principal on Debt</u> | | | | |
| Highways and Streets | 90,656 | 63,120 | 90,656 | 0 |
| <u>Interest on Debt</u> | | | | |
| Highways and Streets | 4,024 | 0 | 4,024 | 0 |
| Total Expenditures | <u>\$ 3,808,019</u> | <u>\$ 4,308,125</u> | <u>\$ 4,728,490</u> | <u>\$ 920,471</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 1,615,905</u> | <u>\$ 214,841</u> | <u>\$ 555,678</u> | <u>\$ 1,060,227</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | <u>\$ (206,400)</u> | <u>\$ (206,400)</u> | <u>\$ (206,400)</u> | <u>\$ 0</u> |
| Total Other Financing Sources | <u>\$ (206,400)</u> | <u>\$ (206,400)</u> | <u>\$ (206,400)</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 1,409,505 | \$ 8,441 | \$ 349,278 | \$ 1,060,227 |
| Fund Balance, July 1, 2020 | <u>1,369,904</u> | <u>1,572,347</u> | <u>1,572,347</u> | <u>(202,443)</u> |
| Fund Balance, June 30, 2021 | <u><u>\$ 2,779,409</u></u> | <u><u>\$ 1,580,788</u></u> | <u><u>\$ 1,921,625</u></u> | <u><u>\$ 857,784</u></u> |

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

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

| | Business-type Activities - Major Enterprise Fund |
|---|--|
| | <u>Park Rest Hardin County Health Center</u> |
| <u>ASSETS</u> | |
| Current Assets: | |
| Cash | \$ 1,036,018 |
| Inventories | 17,426 |
| Accounts Receivable | 267,028 |
| Due from Hardin Home | 540,356 |
| Prepaid Items | 14,065 |
| Restricted Assets: | |
| Patient Trust | 76,355 |
| Total Current Assets | <u>\$ 1,951,248</u> |
| Noncurrent Assets: | |
| Capital Assets: | |
| Assets Not Depreciated: | |
| Land | \$ 26,700 |
| Assets Net of Accumulated Depreciation: | |
| Buildings and Improvements | 143,451 |
| Other Capital Assets | 24,873 |
| Total Noncurrent Assets | <u>\$ 195,024</u> |
| Total Assets | <u>\$ 2,146,272</u> |
| <u>LIABILITIES</u> | |
| Liabilities: | |
| Accounts Payable | \$ 54,100 |
| Accrued Management Fee | 995,568 |
| Other Accrued Expenses | 82,333 |
| Deferred Revenues | 316,764 |
| Current Liabilities Payable from Restricted Assets: | |
| Patient Trust | 76,355 |
| Total Liabilities | <u>\$ 1,525,120</u> |
| <u>NET POSITION</u> | |
| Net Investment in Capital Assets | \$ 195,024 |
| Unrestricted | <u>426,128</u> |
| Total Net Position | <u>\$ 621,152</u> |

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

Exhibit D-2

Hardin 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 |
|--|--|
| | <u>Park Rest Hardin County Health Center</u> |
| <u>Operating Revenues</u> | |
| <u>Charges for Current Services</u> | |
| Patient Revenues | \$ 3,547,544 |
| Nursing Facility COVID-19 Emergency Payments | 237,100 |
| COVID-19 Provider Relief Funds | 274,978 |
| Allowance for Doubtful Accounts Adjustment | (186,437) |
| Total Operating Revenues | <u>\$ 3,873,185</u> |
| <u>Operating Expenses</u> | |
| Administrative | \$ 1,091,230 |
| Dietary | 389,475 |
| Housekeeping | 163,176 |
| Laundry | 111,274 |
| Operation and Maintenance | 157,885 |
| Nursing | 1,186,573 |
| Social Service | 119,262 |
| Depreciation | 37,560 |
| Total Operating Expenses | <u>\$ 3,256,435</u> |
| Operating Income (Loss) | <u>\$ 616,750</u> |
| <u>Nonoperating Revenues (Expenses)</u> | |
| Investment Income | \$ 1,962 |
| Miscellaneous Income | 124 |
| Total Nonoperating Revenues (Expenses) | <u>\$ 2,086</u> |
| Net Income (Loss) | <u>\$ 618,836</u> |
| Change in Net Position | \$ 618,836 |
| Net Position, July 1, 2020 | <u>2,316</u> |
| Net Position, June 30, 2021 | <u><u>\$ 621,152</u></u> |

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

Exhibit D-3

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

| | Business-type Activities - Major Enterprise Fund |
|---|--|
| | <u>Park Rest Hardin County Health Center</u> |
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from Patient Services | \$ 4,230,544 |
| Payments to Suppliers | (1,306,541) |
| Payments to Employees | (2,003,228) |
| Other Operating Cash Receipts | 124 |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 920,899</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Acquisition of Capital Assets | \$ (7,287) |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | <u>\$ (7,287)</u> |
| <u>Cash Flows from Investing Activities</u> | |
| Interest Income | \$ 1,962 |
| Net Cash Provided By (Used In) Investing Activities | <u>\$ 1,962</u> |
| Net Increase (Decrease) in Cash | \$ 915,574 |
| Cash, July 1, 2020 | <u>120,444</u> |
| Cash, June 30, 2021 | <u><u>\$ 1,036,018</u></u> |

(Continued)

Exhibit D-3

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

| | Business-type Activities - Major Enterprise Fund |
|--|--|
| | <u>Park Rest Hardin County Health Center</u> |
| <u>Reconciliation of Net Operating Income to Net Cash</u> | |
| <u>Provided By (Used In) Operating Activities</u> | |
| Operating Income | \$ 616,750 |
| Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities: | |
| Depreciation | 37,560 |
| Other Revenue | 124 |
| Changes in Assets and Liabilities: | |
| Inventories | 1,261 |
| Accounts Receivable | 40,595 |
| Due from Hardin Home | 193,548 |
| Prepaid Items | 6,887 |
| Accounts Payable | 27,440 |
| Accrued Management Fee | (330,126) |
| Other Accrued Expenses | 10,096 |
| Deferred Revenues | <u>316,764</u> |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 920,899</u> |
| <u>Reconciliation of Cash With the Statement of Net Position</u> | |
| Cash Per Net Position | <u>\$ 1,036,018</u> |
| Cash, June 30, 2021 | <u>\$ 1,036,018</u> |

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

Exhibit E-1

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

| | <u>Custodial Funds</u> |
|---|----------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 502,305 |
| Due from Other Governments | <u>827,834</u> |
| Total Assets | <u>\$ 1,330,139</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | <u>\$ 827,834</u> |
| Total Liabilities | <u>\$ 827,834</u> |
| <u>NET POSITION</u> | |
| Restricted for Individuals, Organizations and Other Governments | <u>\$ 502,305</u> |
| Total Net Position | <u><u>\$ 502,305</u></u> |

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

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

| | <u>Custodial Funds</u> |
|---|----------------------------|
| <u>ADDITIONS</u> | |
| Sales Tax Collections for Other Governments | \$ 4,590,847 |
| Fines/Fees and Other Collections | <u>7,631,663</u> |
| Total Additions | <u>\$ 12,222,510</u> |
| <u>DEDUCTIONS</u> | |
| Payment of Sales Tax Collections to Other Governments | \$ 4,590,847 |
| Payments to State | 4,428,195 |
| Payments to Cities, Individuals, and Others | <u>3,311,444</u> |
| Total Deductions | <u>\$ 12,330,486</u> |
| Net Increase (Decrease) in Fiduciary in Net Position | \$ (107,976) |
| Net Position, July 1, 2020 | 0 |
| Restatement - See Note I.D.9. | <u>610,281</u> |
| Net Position, June 30, 2021 | <u><u>\$ 502,305</u></u> |

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

HARDIN COUNTY, TENNESSEE
Index of Notes to the Financial Statements

| Note | Page(s) |
|---|---------|
| I. Summary of Significant Accounting Policies | |
| A. Reporting Entity | 41 |
| B. Government-wide and Fund Financial Statements | 42 |
| C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation | 43 |
| D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance | |
| 1. Deposits and Investments | 46 |
| 2. Receivables and Payables | 48 |
| 3. Restricted Assets | 49 |
| 4. Capital Assets | 49 |
| 5. Deferred Outflows/Inflows of Resources | 50 |
| 6. Compensated Absences | 50 |
| 7. Long-term Debt and Long-term Obligations | 51 |
| 8. Net Position and Fund Balance | 52 |
| 9. Restatements | 53 |
| E. Pension Plans | 54 |
| F. Other Postemployment Benefit (OPEB) Plans | 54 |
| 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 | 55 |
| 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 | 55 |
| III. Stewardship, Compliance, and Accountability | |
| A. Budgetary Information | 55 |
| B. Cash Shortage - Current Year | 56 |
| C. Investigation | 56 |
| IV. Detailed Notes on All Funds | |
| A. Deposits and Investments | 56 |
| B. Capital Assets | 60 |
| C. Interfund Receivables, Payables, and Transfers | 62 |
| D. Capital Leases | 63 |
| E. Long-term Debt | 64 |
| F. Long-term Obligations | 68 |
| G. On-Behalf Payments | 69 |

(Continued)

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

| Note | Page(s) |
|--|------------|
| V. Other Information | |
| A. Risk Management | 69 |
| B. Accounting Changes | 71 |
| C. Contingent Liabilities | 72 |
| D. Landfill Postclosure Care Costs | 72 |
| E. Joint Ventures | 73 |
| F. Retirement Commitments | |
| 1. Tennessee Consolidated Retirement System (TCRS) | 74 |
| 2. Deferred Compensation | 91 |
| G. Other Postemployment Benefits (OPEB) | 91 |
| H. Purchasing Laws | 100 |
| I. Subsequent Events | 100 |
| VI. Other Notes - Park Rest Hardin County Health Center (Enterprise Fund) | 100 |
| VII. Other Notes - Discretely Presented Hardin Medical Center | 107 |

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hardin 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 Hardin County:

A. Reporting Entity

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

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

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

The Hardin Medical Center is a community medical center providing general and specialized medical services to patients. Included as part of the Hardin Medical Center are the HMC Health and Rehabilitation Center, an intermediate and skilled care facility, and the HMC Physician Services, Inc., a physician practice, which provides medical and other health care services. The Hardin County Commission appoints the Hardin Medical Center's governing body, which also oversees the Hardin County Nursing Home. Hardin County is financially obligated to retire general obligation bonds of the Hardin Medical Center in the event of default by the hospital.

The Hardin County Convention and Visitors Bureau is a nonprofit organization located in Savannah, Tennessee. Its purpose is to promote tourism in the county. The Hardin County Commission appoints the Hardin County Convention and Visitors Bureau's governing body and provides a significant amount of the bureau's funding. The financial statements of the Hardin County Convention and Visitors Bureau were not material to the component units' opinion unit and therefore have been omitted from this report.

The Hardin 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 Hardin County Emergency Communications District, Hardin Medical Center, and Hardin County Convention and Visitors Bureau can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Hardin County Emergency Communications District
465 Main Street
Savannah, TN 38372

Hardin Medical Center
935 Wayne Road
Savannah, TN 38372

Hardin County Convention and Visitors Bureau
495 Main Street
Savannah, TN 38372

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 Hardin 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.

Hardin County issues all debt for the discretely presented Hardin 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, proprietary funds (internal service and enterprise), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements of the discretely presented Hardin County School Department, and 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 funds 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 Hardin 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. Hardin County only reports one proprietary fund, a major enterprise fund, and the discretely presented school department reports one proprietary fund, an internal service fund.

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

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. Hardin 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 debt service funds 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 funds 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.

Hardin 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.

Rural Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on school improvement projects for which the city of Savannah contributes a portion of its sales tax.

Hardin County reports the following major enterprise fund:

Park Rest Hardin County Health Center – This fund accounts for the transactions of the county-owned health center.

Additionally, Hardin 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 Hardin County.

The discretely presented Hardin 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.

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

Capital Projects Fund – The Education Capital Projects Fund accounts for the receipt of debt issued by Hardin County and

contributed to the school department for building construction and renovation and the acquisition of other major capital assets.

Internal Service Fund – The Employee Insurance Fund is used to account for transactions pertaining to the Hardin County School Department’s dental insurance plan.

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. 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 (enterprise fund) used to account for a health care center. The discretely presented school department has one proprietary fund (internal service fund) used to account for a self-insurance dental program. Operating revenues and expenses generally result from providing services in connection with the funds’ principal ongoing operations. The principal operating revenue of the county’s proprietary fund is charges for services. The principal operating revenue for the discretely presented school department’s internal service fund is self-insurance premiums. Operating expenses include administrative expenses and dental claims.

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 in the internal service fund of the discretely presented Hardin County School Department consists entirely of 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 (excluding the Park Rest Hardin County Health Center) and the discretely presented Hardin 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. Hardin 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. Hardin County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.08 percent of total taxes levied.

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

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

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

Retainage payable in the school department's General Purpose School Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Purpose School Fund.

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 Hardin 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 Hardin County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Hardin 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. Governmental activities 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> |
|----------------------------|--------------|
| Primary Government: | |
| Buildings and Improvements | 25 |
| Other Capital Assets | 5 - 10 |
| Infrastructure: | |
| Roads | 10 - 20 |
| Bridges | 30 |
| School Department: | |
| Land Improvements | 20 |
| Buildings and Improvements | 25 |
| Other Capital Assets | 5 - 15 |

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 debt; pension changes in experience, investment earnings, and proportion; pension and OPEB changes in assumptions; and 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 county's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. The Hardin County Highway

Department allows its employees to accrue no more than five vacation days at year-end, except with special permission from the highway commissioner. All vacation pay for the primary government is accrued when incurred in the government-wide statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The granting of sick leave for employees of Hardin County has no guaranteed payment attached and therefore is not required to be accrued or recorded.

It is the school department's policy to permit professional employees to accumulate an unlimited amount of earned but unused sick leave days and support staff to accumulate earned but unused sick leave up to 120 days. Upon leaving employment, professional employees and support staff receive \$10 per day for unused sick days. The policy permits 12-month support staff to accumulate an unlimited amount of earned but unused annual and sick leave days. Upon leaving employment, 12-month support staff are compensated at their daily rate of pay for unused annual and sick leave. All annual and sick leave benefits for the school department are accrued when incurred in the government-wide statements. A liability for annual and sick 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, landfill closure/postclosure care costs, and other postemployment benefits are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$9,601,964 of restricted net position, of which \$289,022 is restricted by enabling legislation.

As of June 30, 2021, Hardin County had \$25,790,173 in outstanding debt for capital purposes for the discretely presented Hardin County School Department. This debt is a liability of Hardin County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Hardin 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 Hardin County School Department. A restatement of \$1,115,835 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 \$610,281 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 Hardin County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Hardin 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 Hardin County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Hardin 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 Hardin 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 Hardin 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 Hardin 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 and school department's Internal School funds (special revenue funds), which are not budgeted, and the Education Capital

Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, 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, Hardin County had outstanding encumbrances in the General Fund totaling \$186,992.

B. Cash Shortage – Current Year

The Office of County Clerk had a cash shortage of \$532 during the year ended June 30, 2021. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

C. Investigation

An investigation of the Hardin County Highway Department and the former highway commissioner by the Comptroller's Division of Investigations is ongoing. Findings, if any, resulting from this investigation will be included in a subsequent report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Hardin County (excluding the Park Rest Hardin County Health Center, enterprise fund) and the Hardin 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.

The county had no pooled and nonpooled investments as of June 30, 2021.

TCRS Stabilization Trust

Legal Provisions. The Hardin 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 Hardin 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 Hardin 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 | \$ 56,592 |
| Developed Market International Equity | N/A | N/A | 25,558 |
| Emerging Market International Equity | N/A | N/A | 7,302 |
| U.S. Fixed Income | N/A | N/A | 36,511 |
| Real Estate | N/A | N/A | 18,256 |
| Short-term Securities | N/A | N/A | 1,826 |
| NAV- Private Equity and Strategic Lending | N/A | N/A | 36,511 |
| Total | | | \$ 182,556 |

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 | \$ 2,561,748 | \$ 13,501 | \$ 0 | \$ 2,575,249 |
| Construction in Progress | 0 | 192,257 | | 192,257 |
| Total Capital Assets Not Depreciated | <u>\$ 2,561,748</u> | <u>\$ 205,758</u> | <u>\$ 0</u> | <u>\$ 2,767,506</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 17,181,849 | \$ 362,157 | \$ 0 | \$ 17,544,006 |
| Infrastructure | 45,107,470 | 547,081 | 0 | 45,654,551 |
| Other Capital Assets | 15,224,543 | 834,148 | 361,992 | 15,696,699 |
| Total Capital Assets Depreciated | <u>\$ 77,513,862</u> | <u>\$ 1,743,386</u> | <u>\$ 361,992</u> | <u>\$ 78,895,256</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 8,810,412 | \$ 572,772 | \$ 0 | \$ 9,383,184 |
| Infrastructure | 37,585,182 | 817,699 | 0 | 38,402,881 |
| Other Capital Assets | 12,014,421 | 959,372 | 358,535 | 12,615,258 |
| Total Accumulated Depreciation | <u>\$ 58,410,015</u> | <u>\$ 2,349,843</u> | <u>\$ 358,535</u> | <u>\$ 60,401,323</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 19,103,847</u> | <u>\$ (606,457)</u> | <u>\$ 3,457</u> | <u>\$ 18,493,933</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 21,665,595</u> | <u>\$ (400,699)</u> | <u>\$ 3,457</u> | <u>\$ 21,261,439</u> |

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

Governmental Activities:

| | |
|---|--------------------------------|
| General Government | \$ 38,271 |
| Finance | 12,382 |
| Administration of Justice | 13,775 |
| Public Safety | 750,136 |
| Public Health and Welfare | 322,525 |
| Social, Cultural, and Recreational Services | 100,489 |
| Agriculture and Natural Resources | 24,804 |
| Highways/Public Works | <u>1,087,461</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 2,349,843</u></u> |

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

| | Balance 7-1-20 | Increases | Decreases | Balance 6-30-21 |
|--|----------------------|-----------------------|------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 1,217,760 | \$ 0 | \$ 0 | \$ 1,217,760 |
| Construction in Progress | 0 | 1,420,079 | 0 | 1,420,079 |
| Total Capital Assets Not Depreciated | <u>\$ 1,217,760</u> | <u>\$ 1,420,079</u> | <u>\$ 0</u> | <u>\$ 2,637,839</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 71,956,902 | \$ 744,851 | \$ 80,121 | \$ 72,621,632 |
| Other Capital Assets | 2,515,910 | 157,042 | 0 | 2,672,952 |
| Total Capital Assets Depreciated | <u>\$ 74,472,812</u> | <u>\$ 901,893</u> | <u>\$ 80,121</u> | <u>\$ 75,294,584</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 39,947,988 | \$ 2,520,878 | \$ 37,390 | \$ 42,431,476 |
| Other Capital Assets | 2,023,277 | 100,782 | 0 | 2,124,059 |
| Total Accumulated Depreciation | <u>\$ 41,971,265</u> | <u>\$ 2,621,660</u> | <u>\$ 37,390</u> | <u>\$ 44,555,535</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 32,501,547</u> | <u>\$ (1,719,767)</u> | <u>\$ 42,731</u> | <u>\$ 30,739,049</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 33,719,307</u> | <u>\$ (299,688)</u> | <u>\$ 42,731</u> | <u>\$ 33,376,888</u> |

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

Governmental Activities:

| | |
|---|---------------------|
| Instruction | \$ 1,736,387 |
| Support Services | 615,351 |
| Operation of Non-instructional Services | <u>269,922</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 2,621,660</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 | \$ 664 |
| General Debt Service | General | 86,983 |

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.

Due to/from Primary Government and Component Unit:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-------------------------|------------------------------|---------------|
| | Component Unit: | |
| Primary Government: | School Department: | |
| Governmental Activities | Governmental Activities | \$ 1,715,173 |
| Rural Debt Service | General Purpose School | 392,843 |
| General Debt Service | Hardin County Medical Center | 2,607 |

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

Interfund Transfers:

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

| Transfers Out | Transfers In | | Purpose |
|---------------------------|---------------------------|----------------------------|-----------------|
| | General Debt Service Fund | Nonmajor Governmental Fund | |
| General Fund | \$ 605,083 | \$ 0 | Debt retirement |
| " | 0 | 80,350 | Operations |
| Highway/Public Works Fund | 206,400 | 0 | Debt retirement |
| Total | <u>\$ 811,483</u> | <u>\$ 80,350</u> | |

| Transfer Out | Transfer In | | Purpose |
|-----------------------------|------------------------------|--|-----------------|
| | School Federal Projects Fund | | |
| General Purpose School Fund | \$ 250,000 | | Cash flow funds |

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. Capital Leases

Terms of capital lease obligations outstanding at June 30, 2021, were as follows:

| Description | Date of Lease | Length of Lease in Years | Gross Amount of Assets | Interest Rate |
|---------------------------|---------------|--------------------------|------------------------|---------------|
| Energy Management Project | 6-20-12 | 14 | \$ 1,782,319 | 3.05 % |
| Commercial Pumper | 3-31-14 | 9 | 241,750 | 3.79 |
| Commercial Pumper | 4-18-17 | 9 | 418,200 | 2.98 |
| Fire Tanker | 10-21-19 | 7 | 197,834 | 2.95 |

Title to the above-noted assets transfers to Hardin County and the Hardin County School Department at the end of the lease periods. Lease payments are made from the General Fund and by contributions from the school department to the primary government's General Debt Service Fund.

The assets acquired through capital leases are as follows:

| <u>Assets</u> | <u>Governmental Activities</u> |
|--------------------------------|------------------------------------|
| Buildings and Improvements | \$ 1,782,319 |
| Vehicles and Equipment | 857,784 |
| Less: Accumulated Depreciation | <u>(1,851,931)</u> |
| Total Book Value | <u><u>\$ 788,172</u></u> |

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

| <u>Year Ending June 30</u> | <u>Governmental Funds</u> |
|--|-------------------------------|
| 2021 | \$ 266,072 |
| 2022 | 266,071 |
| 2023 | 235,463 |
| 2024 | 242,162 |
| 2026 | 238,562 |
| 2027 | <u>159,125</u> |
| Total Minimum Lease Payments | \$ 1,407,455 |
| Less: Amount Representing Interest | <u>(120,087)</u> |
| Present Value of Minimum Lease Payments | <u><u>\$ 1,287,368</u></u> |

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Hardin 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 21 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 and Rural Debt Service funds.

Direct Borrowing and Direct Placements - Hardin 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 and the other loan outstanding were issued for original terms of ten years for the note and 13 years for other the loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note and the other loan included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund

General obligation bonds, capital outlay note, capital leases, and the other loan 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 - | | | | |
| Refunding | 2 to 5 | % 6-1-39 | \$ 37,075,000 | \$ 32,015,000 |
| Direct Borrowing and Direct Placement: | | | | |
| Capital Outlay Note | 2.75 | 12-4-27 | 250,000 | 182,068 |
| Other Loan | 1 | 7-1-29 | 1,330,336 | 913,531 |
| Capital Leases | 2.95 to 3.79 | 11-20-26 | 2,640,103 | 1,287,368 |

During the 2016-17 year, Hardin County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program made \$1,330,336 available to loan to Hardin County to fund a project to increase energy efficiency in the Hardin County school system. The loan is repayable at an interest rate of one percent.

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

| Year Ending June 30 | Bonds | | |
|------------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2022 | \$ 2,005,000 | \$ 1,123,825 | \$ 3,128,825 |
| 2023 | 2,035,000 | 1,039,775 | 3,074,775 |
| 2024 | 2,105,000 | 954,675 | 3,059,675 |
| 2025 | 2,170,000 | 866,375 | 3,036,375 |
| 2026 | 2,205,000 | 775,125 | 2,980,125 |
| 2027-2031 | 8,560,000 | 2,712,563 | 11,272,563 |
| 2032-2036 | 8,650,000 | 1,375,250 | 10,025,250 |
| 2037-2039 | 4,285,000 | 240,700 | 4,525,700 |
| Total | <u>\$ 32,015,000</u> | <u>\$ 9,088,288</u> | <u>\$ 41,103,288</u> |

| Year Ending June 30 | Note - Direct Placement | | |
|------------------------|-------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2022 | \$ 23,917 | \$ 5,077 | \$ 28,994 |
| 2023 | 24,584 | 4,410 | 28,994 |
| 2024 | 25,270 | 3,725 | 28,995 |
| 2025 | 25,966 | 3,028 | 28,994 |
| 2026 | 26,698 | 2,296 | 28,994 |
| 2027-2028 | 55,633 | 2,338 | 57,971 |
| Total | <u>\$ 182,068</u> | <u>\$ 20,874</u> | <u>\$ 202,942</u> |

| Year Ending June 30 | Other Loan - Direct Placement | | |
|------------------------|-------------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2022 | \$ 109,056 | \$ 8,640 | \$ 117,696 |
| 2023 | 110,160 | 7,536 | 117,696 |
| 2024 | 111,264 | 6,432 | 117,696 |
| 2025 | 112,380 | 5,316 | 117,696 |
| 2026 | 113,508 | 4,188 | 117,696 |
| 2027-2030 | 357,163 | 5,690 | 362,853 |
| Total | <u>\$ 913,531</u> | <u>\$ 37,802</u> | <u>\$ 951,333</u> |

There is \$5,833,145 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$1,193, based on the 2020 federal census. Total debt per capita, including bonds, the note, the other loan, capital leases, and unamortized debt premiums totaled \$1,374, 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. The capital lease and other loan debt are reflected in the government-wide financial statements as Due to the Primary Government in the financial

statements of the school department and as Due from Component Units in the financial statements of the primary government.

| <u>Description of Indebtedness</u> | <u>Outstanding 6-30-21</u> |
|---|--------------------------------|
| <u>Bonds</u> | |
| <u>Contributions from the General Purpose School Fund</u> | |
| General Obligation Refunding Bonds, Series 2019 | \$ 24,075,000 |
| <u>Capital Lease - Direct Placement</u> | |
| <u>Contributions from the General Purpose School Fund</u> | |
| Energy Management Project | 801,642 |
| <u>Other Loan - Direct Placement</u> | |
| <u>Contributions from the General Purpose School Fund</u> | |
| Energy Efficient School Initiative | <u>913,531</u> |
| Total | <u>\$ 25,790,173</u> |

Changes in Long-term Debt

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

Governmental Activities:

| | <u>Bonds</u> | <u>Notes - Direct Placement</u> |
|-----------------------------|--|--|
| Balance, July 1, 2020 | \$ 33,970,000 | \$ 411,555 |
| Reductions | <u>(1,955,000)</u> | <u>(229,487)</u> |
| Balance, June 30, 2021 | <u>\$ 32,015,000</u> | <u>\$ 182,068</u> |
| Balance Due Within One Year | <u>\$ 2,005,000</u> | <u>\$ 23,917</u> |
| | <u>Other Loan - Direct Placement</u> | <u>Capital Leases - Direct Placement</u> |
| Balance, July 1, 2020 | \$ 1,021,507 | \$ 1,655,241 |
| Reductions | <u>(107,976)</u> | <u>(367,873)</u> |
| Balance, June 30, 2021 | <u>\$ 913,531</u> | <u>\$ 1,287,368</u> |
| Balance Due Within One Year | <u>\$ 109,056</u> | <u>\$ 229,202</u> |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

| | |
|--|----------------------|
| Total Noncurrent Liabilities - Debt, June 30, 2021 | \$ 34,397,967 |
| Less: Balance Due Within One Year - Debt | (2,367,175) |
| Add: Unamortized Premium on Debt | <u>2,459,476</u> |
| Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A | <u>\$ 34,490,268</u> |

F. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:

| | Compensated Absences | Landfill Postclosure Care Costs | Net OPEB Liability |
|-----------------------------|-------------------------|---------------------------------------|-----------------------|
| Balance, July 1, 2020 | \$ 192,240 | \$ 286,861 | \$ 298,420 |
| Additions | 237,953 | 3,490 | 73,857 |
| Reductions | <u>(246,605)</u> | <u>(7,647)</u> | <u>(31,822)</u> |
| Balance, June 30, 2021 | <u>\$ 183,588</u> | <u>\$ 282,704</u> | <u>\$ 340,455</u> |
| Balance Due Within One Year | <u>\$ 166,858</u> | <u>\$ 7,647</u> | <u>\$ 0</u> |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|-------------------|
| Total Other Noncurrent Liabilities, June 30, 2021 | \$ 806,747 |
| Less: Balance Due Within One Year - Other | <u>(174,505)</u> |
| Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | <u>\$ 632,242</u> |

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

Discretely Presented Hardin County School Department

Changes in Long-term Obligations

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

Governmental Activities:

| | Compensated Absences | Net OPEB Liability |
|-----------------------------|-------------------------|-----------------------|
| Balance, July 1, 2020 | \$ 493,071 | \$ 5,823,147 |
| Additions | 70,290 | 1,083,189 |
| Reductions | (45,718) | (476,439) |
| Balance, June 30, 2021 | <u>\$ 517,643</u> | <u>\$ 6,429,897</u> |
| Balance Due Within One Year | <u>\$ 25,882</u> | <u>\$ 0</u> |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Other Noncurrent Liabilities, June 30, 2021 | \$ 6,947,540 |
| Less: Balance Due Within One Year - Other | <u>(25,882)</u> |
| Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | <u>\$ 6,921,658</u> |

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

G. On-Behalf Payments - Discretely Presented Hardin County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hardin County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The 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 \$149,100. 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

Liability, Property, and Casualty

Hardin County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county

pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

Workers' Compensation Insurance

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

Employee Health Insurance

Hardin County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, TCA, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF 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. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Hardin County School Department

Liability, Property, Casualty, and Workers' Compensation Insurance

The discretely presented Hardin County 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.

Employee Health Insurance

The discretely presented Hardin County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, 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.

Employee Dental Insurance

The Hardin County School Department has chosen to establish the Employee Insurance Fund for risks associated with the school department employees’ dental insurance plan. The Employee Insurance Fund is accounted for as an internal service fund in which assets are set aside for claim settlements. The school department is responsible for maximum benefits equal to \$1,000 per employee per year. Employees are responsible for any amount beyond the maximum benefit.

All full-time employees of the Hardin County School Department are eligible to participate. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The Employee Insurance Fund establishes claims liabilities based on estimates of the ultimate costs of claims that have been incurred but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two years are as follows:

Employee Insurance Fund

| Fiscal Year | Beginning of Fiscal Year Liability | Current Year Claims and Estimates | Payments | Balance at Fiscal Year-end |
|-------------|------------------------------------|-----------------------------------|------------|----------------------------|
| 2019-20 | \$ 13,066 | \$ 181,307 | \$ 194,373 | 0 |
| 2020-21 | 0 | 199,874 | 188,113 | 11,761 |

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.

Hardin County is contingently liable for an \$8,000,000 loan agreement dated July 29, 2003, for improvements to the Hardin Medical Center. Hardin County would become liable for this loan and the interest thereon in the event of default by the medical center. The principal of this loan agreement is reflected on the financial statements of the Hardin Medical Center. As of June 30, 2021, \$4,280,000 has been repaid leaving a balance of \$3,720,000. Future principal requirements for the entire loan at June 30, 2021, were \$3,720,000. The loan is repayable at a variable interest rate that is determined by the remarketing agent weekly. At June 30, 2021, the variable interest rate was .57 percent.

The attorneys for the county and school department advised that there were no pending lawsuits, unasserted claims, or assessments that would materially affect the county or school department's financial statements.

D. Landfill Postclosure Care Costs

Hardin County and the City of Savannah have an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county and city have 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 entities to place a final cover on their 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. Hardin County and the City of Savannah closed their sanitary landfill in 1998. Hardin County and the City of Savannah each agreed to pay 50 percent of the postclosure costs. The \$282,704 reported as postclosure care liability at June 30, 2021, represents the county's 50 percent share of the amounts based on what it would cost to perform all postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Savannah-Hardin County Airport operates through a joint operations agreement between Hardin County and the city of Savannah. The agreement created a joint board of directors to manage the airport. The board comprises seven members, three of whom are appointed by the Hardin County Commission, three by the city of Savannah, and one member that Hardin County and the city of Savannah alternate appointing. Hardin County has control over budgeting and financing the joint venture only to the extent of its representation by its board members.

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District, Benton, Carroll, Decatur, Hardin, and Henry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Hardin County made no contributions to the DTF for the year ended June 30, 2021.

Hardin County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the Savannah-Hardin County Airport and the DTF can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Savannah-Hardin County Airport
100 Airport Lane
Savannah, TN 38372

Office of District Attorney General
Twenty-fourth Judicial District
P. O. Box 686
Huntingdon, TN 38344

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Hardin County and non-certified employees of the discretely presented Hardin 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 69.89 percent and the non-certified employees of the discretely presented school department comprised 30.11 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 | 247 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 304 |
| Active Employees | 304 |
| Total | <u><u>855</u></u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Hardin 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 Hardin County was \$561,687 based on a rate of seven percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hardin 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)

Hardin 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 | 5.69 | % | 31 | % |
| Developed Market | | | | |
| International Equity | 5.29 | | 14 | |
| Emerging Market | | | | |
| International Equity | 6.36 | | 4 | |
| Private Equity and | | | | |
| Strategic Lending | 5.79 | | 20 | |
| U.S. Fixed Income | 2.01 | | 20 | |
| Real Estate | 4.32 | | 10 | |
| Short-term Securities | 0.00 | | 1 | |
| Total | | | 100 | % |

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

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

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balance, July 1, 2019 | \$ 28,249,439 | \$ 31,631,369 | \$ (3,381,930) |
| Changes for the Year: | | | |
| Service Cost | \$ 677,711 | \$ 0 | \$ 677,711 |
| Interest | 2,045,340 | 0 | 2,045,340 |
| Differences Between Expected and Actual Experience | 144,037 | 0 | 144,037 |
| Contributions-Employer | 0 | 556,572 | (556,572) |
| Contributions-Employees | 0 | 397,555 | (397,555) |
| Net Investment Income | 0 | 1,556,456 | (1,556,456) |
| Benefit Payments, Including Refunds of Employee Contributions | (1,431,115) | (1,431,115) | 0 |
| Administrative Expense | 0 | (26,589) | 26,589 |
| Net Changes | \$ 1,435,973 | \$ 1,052,879 | \$ 383,094 |
| Balance, June 30, 2020 | \$ 29,685,412 | \$ 32,684,248 | \$ (2,998,836) |

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

| | | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|--------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 69.89% | \$ 20,747,134 | \$ 22,843,020 | \$ (2,095,886) |
| School Department | 30.11% | 8,938,278 | 9,841,228 | (902,950) |
| Total | | \$ 29,685,412 | \$ 32,684,248 | \$ (2,998,836) |

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

| Hardin County | 1% Decrease 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|---------------|-------------------------|--------------------------------------|-------------------------|
|---------------|-------------------------|--------------------------------------|-------------------------|

Net Pension Liability (Asset) \$ 481,340 \$ (2,998,836) \$ (5,917,609)

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, Hardin County recognized pension expense of \$19,670.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, Hardin 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 | \$ 108,028 | \$ 353,670 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 227,608 | 0 |
| Changes in Assumptions | 133,559 | 0 |
| Contributions Subsequent to the Measurement Date of June 30, 2020 (1) | 561,687 | N/A |
| Total | \$ 1,030,882 | \$ 353,670 |

(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 | \$ 720,647 | \$ 247,180 |
| School Department | 310,235 | 106,490 |
| Total | <u>\$ 1,030,882</u> | <u>\$ 353,670</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 | \$ (165,189) |
| 2023 | (31,096) |
| 2024 | 168,100 |
| 2025 | 143,710 |
| 2026 | 0 |
| Thereafter | 0 |

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

Discretely Presented Hardin County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Hardin County and non-certified employees of the discretely presented Hardin 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 69.89 percent and the non-certified employees of the discretely presented school department comprised 30.11 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hardin 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 \$60,087, 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 (\$115,931) 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 .203874 percent. The proportion as of June 30, 2019, was .186379 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense of \$45,926.

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 | \$ 4,307 | \$ 29,052 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 9,444 | 0 |
| Changes in Assumptions | 3,635 | 0 |
| Changes in Proportion of Net Pension Liability (Asset) | 3,831 | 13,614 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2020 | 60,087 | N/A |
| Total | <u>\$ 81,304</u> | <u>\$ 42,666</u> |

The school department's employer contributions of \$60,087, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|------------|
| 2022 | \$ (1,901) |
| 2023 | (536) |
| 2024 | 160 |
| 2025 | 358 |
| 2026 | (2,841) |
| Thereafter | (16,689) |

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% |
|---|-------------------------|--------------------------------------|-------------------------|
|---|-------------------------|--------------------------------------|-------------------------|

Net Pension Liability (Asset) \$ 90,175 \$ (115,931) \$ (267,857)

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 Hardin 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 Hardin County School Department for the year ended June 30, 2021, to the Teacher Legacy Pension Plan were \$1,268,089, which is 10.27 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$2,770,039) 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 .363249 percent. The proportion measured at June 30, 2019, was .362964 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized (negative pension expense) of (\$78,895).

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 | \$ 105,305 | \$ 1,331,786 |
| Changes in Assumptions | 251,645 | 0 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 618,660 | 0 |
| Changes in Proportion of Net Pension Liability (Asset) | 21,381 | 13,211 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2020 | 1,268,089 | N/A |
| Total | <u>\$ 2,265,080</u> | <u>\$ 1,344,997</u> |

The school department's employer contributions of \$1,268,089 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 | \$ (676,072) |
| 2023 | (102,366) |
| 2024 | 20,614 |
| 2025 | 409,818 |
| 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% |
|--|----------------------|--------------------------------|----------------------|
|--|----------------------|--------------------------------|----------------------|

Net Pension Liability (Asset) \$ 8,614,761 \$ (2,770,039) \$ (12,210,713)

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 \$137,030 and teachers contributed \$65,204 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

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

The county and school department's total OPEB liability for each 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 each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Actuarial Cost Method | Entry Age Normal |
| Inflation | 2.1% |
| 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 under each plan |

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 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the measurement date of June 30, 2020. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2021 plan year was revised from 6.03 percent to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Hardin County are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits Provided. Hardin County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-701, TCA, establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP 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 the retiree premiums. Hardin County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

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

| | |
|--|-----|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 1 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 0 |
| Active Employees Eligible for Benefits | 146 |
| Total | 147 |

An insurance committee, created in accordance with Section 8-27-701, TCA, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2021, the county paid \$9,482 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| Balance July 1, 2019 | \$ 298,420 |
| Changes for the Year: | |
| Service Cost | \$ 36,446 |
| Interest | 11,696 |
| Difference between Expected and Actuarial Experience | (28,479) |
| Changes in Assumption and Other Inputs | 25,715 |
| Benefit Payments | (3,343) |
| Net Changes | <u>\$ 42,035</u> |
| Balance June 30, 2020 | <u>\$ 340,455</u> |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the county recognized OPEB expense of \$29,619. At June 30, 2021, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 0 | \$ 140,634 |
| Changes of Assumptions/Inputs | 47,875 | 10,462 |
| Net Difference Between Projected and Benefits Paid After the Measurement Date of June 30, 2020 | <u>9,482</u> | <u>0</u> |
| Total | <u>\$ 57,357</u> | <u>\$ 151,096</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:

| Year Ending June 30 | Amount |
|------------------------|-------------|
| 2022 | \$ (18,523) |
| 2023 | (18,523) |
| 2024 | (18,523) |
| 2025 | (18,523) |
| 2026 | (18,523) |
| Thereafter | (10,606) |

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| <u>Discount Rate</u> | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|----------------|-----------------------------|----------------|
| | 1.21% | 2.21% | 3.21% |
| Total OPEB Liability | \$ 365,729 | \$ 340,455 | \$ 316,474 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

Healthcare Cost Trend Rate

| | 1% Decrease | Current Rates | 1% Increase |
|--|----------------|------------------|----------------|
| | 8.02% to 3.5% | 9.02% to 4.5% | 10.02% to 5.5% |

Total OPEB Liability \$ 301,740 \$ 340,455 \$ 386,141

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

Plan Description. Employees of the Hardin 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 Hardin County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-301, TCA, establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Hardin County School Department provided direct subsidies of \$251 to \$627 per month toward the cost of the insurance plan selected by the retiree. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

| | |
|--|-----------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 40 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 0 |
| Active Employees Eligible for Benefits | 320 |
| Total | <u><u>360</u></u> |

A state insurance committee, created in accordance with Section 8-27-301, TCA, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$353,740 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

| | <u>Share of Collective Liability</u> | | |
|--|---|---------------------------|-------------------------|
| | Hardin County School Department 72.256% | State of TN 27.744% | Total OPEB Liability |
| Balance July 1, 2019 | \$ 5,823,147 | \$ 2,244,780 | \$ 8,067,927 |
| Changes for the Year: | | | |
| Service Cost | \$ 233,204 | \$ 89,544 | \$ 322,748 |
| Interest | 205,916 | 79,067 | 284,983 |
| Difference between Expected and Actuarial Experience | (80,679) | (30,978) | (111,657) |
| Change in Proportion | 6,389 | (6,389) | 0 |
| Changes in Assumption and Other Inputs | 637,679 | 244,852 | 882,531 |
| Benefit Payments | (395,760) | (151,961) | (547,721) |
| Net Changes | <u>\$ 606,750</u> | <u>\$ 224,134</u> | <u>\$ 830,884</u> |
| Balance June 30, 2020 | <u>\$ 6,429,897</u> | <u>\$ 2,468,914</u> | <u>\$ 8,898,811</u> |

The Hardin 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 Hardin County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB

plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$157,817 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hardin County School Department's proportionate share of the collective OPEB liability was 72.256 percent and the State of Tennessee's share was 27.744 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized an OPEB expense of \$343,920, 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 | \$ 0 | \$ 1,144,484 |
| Changes of Assumptions/Inputs | 670,567 | 518,991 |
| 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 | 0 | 358,246 |
| Benefits Paid After the Measurement Date of June 30, 2020 | <u>353,740</u> | <u>0</u> |
| Total | <u>\$ 1,024,307</u> | <u>\$ 2,021,721</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 | \$ (253,017) |
| 2023 | (253,017) |
| 2024 | (253,017) |
| 2025 | (253,017) |
| 2026 | (245,020) |
| Thereafter | (94,066) |

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 | \$ 6,903,625 | \$ 6,429,897 | \$ 5,974,309 |
|--|--------------|--------------|--------------|

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

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

| | | | |
|--|--------------|--------------|--------------|
| Proportionate Share of the Collective Total OPEB Liability | \$ 5,718,602 | \$ 6,429,897 | \$ 7,268,690 |
|--|--------------|--------------|--------------|

H. Purchasing Laws

Office of County Mayor

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

Office of Highway Commissioner

Chapter 62, Private Acts of 1997, as amended, and Section 54-7-113, *TCA* (Uniform Road Law), govern purchasing procedures for the highway department. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

I. Subsequent Events

On September 30, 2021, Steve Cromwell left the Office of Highway Commissioner and was succeeded by Wesley Jerrolds effective January 18, 2022.

On December 20, 2021, and January 5, 2022, Hardin County entered into lease purchase agreements for a garbage truck and a fire truck totaling \$268,929 and \$288,279, respectively.

VI. OTHER NOTES – PARK REST HARDIN COUNTY HEALTH CENTER (ENTERPRISE FUND)

A. General Information

1. General

The Park Rest Hardin County Health Center (Park Rest) is a 62-bed intermediate care facility owned by Hardin County, Tennessee. Park Rest is located in Savannah, Tennessee, and began operations in 1986. Park Rest provides health care and services primarily to individuals in the Hardin County, Tennessee, area who do not require the degree of

care and treatment a hospital or skilled nursing facility is designed to provide, but who, because of their mental or physical condition, require care and services, which can be made available to them through institutional facilities.

2. Reporting Entity

Park Rest is a department of Hardin County, Tennessee. Park Rest is not a legally separate entity, and the Hardin County Commission is responsible for appointing each member of the nursing home committee, which oversees Park Rest's operations. In addition, the nursing home revenues were the source of repayment for bonds issued to finance construction of the facility.

B. Summary of Significant Accounting Policies

1. Basis of Presentation

The accounts of Park Rest are organized on the basis of funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses, as appropriate. The accounts in the financial statements in this report fall under one broad fund category as follows:

Proprietary Funds

Enterprise Funds – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis can be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2. Measurement Focus and Basis of Accounting

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

Park Rest's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded 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.

3. **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position**

Cash and Cash Equivalents

Cash and cash equivalents, as used in the Statement of Cash Flows, includes demand deposit accounts and certificates of deposit with maturities of three months or less when purchased, in accordance with GASB Statement No. 9.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Balances reported at year-end include charges due from insurance companies and private-pay families.

Inventory

Inventory is valued at the lower of cost (FIFO) or market and consists entirely of supplies.

Capital Assets

All capital assets of Park Rest are recorded at historical cost, except for donated equipment, which is recorded at fair market value. Expenses, which materially increase values or capacities or extend useful lives of these assets are capitalized while expenses for maintenance and repairs are charged to operations as incurred.

Gains and losses from the sale of capital assets are reflected in operations, and the asset accounts and related allowances for depreciation are reduced. Also, depreciation expense on all depreciable items is systematically charged against operations using the straight-line method over their estimated useful lives. Any related interest cost is also added to the cost of the asset as appropriate.

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing

activities. All revenues that are not generated from daily operations are defined as nonoperating.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Park Rest does not have any items that qualify for reporting in this category as of June 30, 2021.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Park Rest does not have any items that qualify for reporting in this category as of June 30, 2021.

Net Position Flow Assumption

Sometimes Park Rest will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is Park Rest's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Net Position

In Park Rest's 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.
- 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.

C. Related-party Transactions

During the year, Hardin Home (an independent nursing home facility owned by the manager of Park Rest) provided Park Rest with laundry services. The charges for the laundry services approximated Hardin Home’s actual costs of providing the services. The total laundry charges for the year were \$111,175.

Park Rest prepared meals for residents of Hardin Home. The charges for the meals approximated Park Rest’s actual costs of providing the meals. The dietary charges for the year totaled \$265,134.

Some employees work for both facilities, and each facility is responsible for its share of applicable payroll expenses.

Hardin County has contracted with the owner of Hardin Home to manage Park Rest. The management fee was five percent of the revenues received by the facility from all sources and equaled \$193,664 in 2021.

Park Rest is responsible to pay the county a monthly administrative fee equal to three percent of revenues. For 2021, that fee totaled \$116,199.

D. Risk Management

Park Rest is subject to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is carried for employees’ bonds, personal and professional liability, and property destruction. There have been no significant reductions in insurance coverage. Settled claims have not exceeded insurance coverage for any of the past three fiscal years.

E. Custodial Credit Risk – Deposits

Park Rest’s investment policies are governed by state statute. Included in permissible investments are direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts.

For deposits, custodial credit risk is the risk that, in the event of a bank failure, deposits may not be returned. Park Rest does not have a policy regarding custodial credit risk for deposits. Collateral is required for demand deposits and certificates of deposit at 105 percent of all amounts not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of Tennessee and its subdivisions.

As of June 30, 2021, Park Rest's deposits at year-end were exposed to custodial credit risk due to \$786,777 being in excess of federal depository insurance and uncollateralized.

F. Concentration of Credit Risk

Approximately 80 percent of the patients in Park Rest participate in the Medicaid program. As a result, a portion of their care is paid for by the State of Tennessee. Approximately 80 percent of the accounts receivable balance at June 30, 2021, was due from the State of Tennessee under the Medicaid program.

G. Compensated Absences

Each employee earns one week of vacation after one year of employment and two weeks of vacation after ten years of employment. An employee is paid for accrued vacation only if the employee is laid off. Unused accrued vacation is forfeited by the employee at the end of each calendar year.

H. Trust Funds

Trust funds, as used in the Statement of Net Position, represent patients' funds held by the nursing home in trust for patients and can only be used upon the patients' approval.

I. Capital Assets

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

| | Balance 7-1-20 | Increases | Balance 6-30-21 |
|--|-------------------|-------------|--------------------|
| Capital Assets Not Depreciated: | | | |
| Land | \$ 26,700 | \$ 0 | \$ 26,700 |
| Capital Assets Depreciated: | | | |
| Building and Improvements | \$ 1,163,361 | \$ 0 | \$ 1,163,361 |
| Furniture and Fixtures | 101,740 | 0 | 101,740 |
| Equipment | 397,296 | 7,287 | 404,583 |
| Total Capital Assets Depreciated | \$ 1,662,397 | \$ 7,287 | \$ 1,669,684 |
| Less Accumulated Depreciation For: | | | |
| Building and Improvements | \$ (992,215) | \$ (27,695) | \$ (1,019,910) |
| Furniture and Fixtures | (82,471) | (3,450) | (85,921) |
| Equipment | (389,114) | (6,415) | (395,529) |
| Total Accumulated Depreciation | \$ (1,463,800) | \$ (37,560) | \$ (1,501,360) |
| Total Capital Assets Depreciated, Net | \$ 198,597 | \$ (37,560) | \$ 168,324 |
| Total Capital Assets, Net | \$ 225,297 | \$ (30,273) | \$ 195,024 |

J. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. COVID-19

During the current year, Park Rest participated in a relief program offered through the CARES Act including distributions relating to the Public Health and Social Services Emergency Fund, which is referred to as the Provider Relief Fund (PRF).

Amounts received from the PRF are subject to the terms and conditions of the program, including certification that payment will be used to prevent, prepare

for, and respond to COVID-19 and shall reimburse the recipient only for healthcare related expenses or lost revenues that are attributable to COVID-19. Park Rest received PRF in the amount of \$591,742 and earned \$274,978 during 2021, which were either spent on expenditures or reimbursed lost revenues allowed under the program. There was deferred revenue of \$316,764 as of June 30, 2021, representing PRF proceeds not yet earned at that date.

VII. OTHER NOTES – DISCRETELY PRESENTED HARDIN MEDICAL CENTER

A. Nature of Operations

Hardin Medical Center (HMC) is a community medical center located in Savannah, Tennessee, providing general and specialized medical services to patients. The Hardin County Commission is responsible for appointing each member of the medical center's Board of Commissioners. Included as part of the Hardin Medical Center are the HMC Health and Rehabilitation Center (HMCHRC), which is an intermediate and skilled-care facility, and the HMC Physician Services, Inc., a physician practice, which provides medical and other health care services.

B. Summary of Significant Accounting Policies

1. Basis of Presentation

The medical center utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis, which is an economic resources measurement focus approach to accounting. Governmental Accounting Standards Board (GASB) *Accounting Standards Codification* is the sole source of authoritative accounting technical literature for governmental entities in the United States of America.

2. Principles of Consolidation

These consolidated financial statements include the medical center, HMCHRC, and the HMC Physician Services, Inc. All significant intercompany accounts and transactions have been eliminated.

3. Cash, Cash Equivalents, and Investments

For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as cash on hand or in banks and investments with original maturities at date of purchase of less than three months.

Cash and cash equivalents include cash on hand and certificates of deposit with original maturities of less than three months with financial institutions. Investments consist of certificates of deposit, money market funds, equity securities, and mutual funds with original maturities of greater than three months. Those investments with

original maturities greater than three months but less than one year are classified as short-term investments, while the remaining amount is classified as long-term.

The medical center makes authorized investments pursuant to the provisions granted under the Private Hospital Authority and applicable state laws. The medical center's investment policy requires that investments be made only in checking and savings accounts; direct obligations of the U. S. Treasury; Security and Exchange Commission registered money market accounts; certificates of deposits; mutual funds; federal agencies; blue chip; S&P 500 stocks; American depository receipts and international stocks; exchange traded funds; real estate investment trusts; inflation protection assets and liquid investment grade corporate and mortgage bonds. These investments are reported at fair market value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Investment income is reported as nonoperating income. Any changes in fair market value in the current year are recognized in the Consolidated Statement of Revenues, Expenses, and Changes in Net Position as a component of investment income. At June 30, 2021, the medical center's investments included certificates of deposits, money market funds, equity securities, and mutual funds.

Custodial credit risk is the risk that, in the event of a bank failure, the medical center's deposits may not be returned to it. State statutes require the medical center's deposits to be secured and collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the medical center's agent in the medical center's name, or by the Federal Reserve Bank acting as third-party agents. All of the medical center's cash and cash equivalents and investments are insured and collateralized by securities held by the financial institutions' trust department in the medical center's name or through the Tennessee Bank Collateral Pool.

At June 30, 2021, the total carrying value of the medical center's cash, cash equivalents, and investments was \$48,083,509, and the bank balance was \$48,123,747.

4. Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or market (net realizable value).

5. Patient Accounts Receivable

The medical center reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients, and others. The medical center provides an allowance for uncollectible

accounts based on a review of outstanding receivables, historical collection information, and existing economic conditions.

6. Fair Value Measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2), and the reporting entity's own assumptions about market participant assumptions (Level 3).

As of June 30, 2021, the medical center has \$33,847,957 in money market funds, equity securities, and mutual funds that would be classified as Level 1 under the hierarchy. As of June 30, 2021, the medical center had \$3,935,034 in certificates of deposit that would be classified as Level 2 under the hierarchy above. The medical center does not have any fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2021.

7. Property and Equipment

Property and equipment acquisitions are recorded at cost. The medical center capitalizes purchases that cost a minimum of \$3,500 and have a useful life greater than one year. Assets are depreciated on a straight-line basis over their estimated useful lives as follows: land improvements 8-25 years; buildings and improvements 5-50 years; equipment 3-20 years; and furniture and fixtures 5-30 years. Assets under capital lease obligations are included in property and equipment and the related amortization and accumulated amortization are included in depreciation and amortization expense and accumulated depreciation and amortization, respectively.

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

8. Patient Service Revenue

The medical center has agreements with third-party payors that provide for payments to the medical center at amounts different from its established rates. Payment arrangements include prospectively

determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Patient service revenue is net of contractual adjustments and policy discounts of approximately \$139 million for the year ended June 30, 2021. Approximately 30 percent of net patient service revenue was from Medicare for the year ended June 30, 2021. Approximately 20 percent of net patient service revenue was from Medicaid/TennCare for the year ended June 30, 2021. Approximately 17 percent of net patient service revenue was derived from one commercial insurance payor for the year ended June 30, 2021.

The medical center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the medical center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The costs of providing charity care are estimated based on the ratio of total costs to gross charges and totaled approximately \$160,000 for the year ended June 30, 2021.

9. Operating Activities

The medical center defines operating activities as reported in the Consolidated Statement of Revenue, Expenses, and Changes in Net Position as those that generally result from exchange transactions, such as payments for providing services and payments for goods and services received. Nonexchange transactions, including contributions and grants, as well as interest income and interest expense, are considered nonoperating revenues and expenses.

10. Employee Benefit Plans

Medical center employees are covered under the Public Employee Pension Plan of Tennessee Consolidated Retirement System (TCRS), a defined benefit plan, or a 403(b) defined contribution plan.

11. Pension

For purposes of measuring 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 medical center's participation in TCRS, and additions to/deductions from the medical center's fiduciary net position have been determined on the same basis as they are reported by TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of

employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. See Note VII.I for further information related to the pension plan.

12. Compensated Absences

The medical center provides its full-time employees with paid days off for holiday, vacation, sick, and bereavement absences. The qualifying date for receiving annual vacation is the employees' full-time anniversary date and is based on the table below. Such days may be taken only after the employee has earned them. All earned days must be taken within 24 months from the anniversary date earned. Such liabilities have been accrued in the accompanying Statement of Net Position.

| <u>Years of Service</u> | <u>Days Earned Per Year</u> |
|---------------------------------|-------------------------------------|
| 1-7 | 10 |
| 8-15 | 15 |
| 16 or more | 20 |

Employees must use paid time off days for the first two days of an illness and paid sick days thereafter. No payment is made for accumulated sick leave when an employee terminates employment.

13. Risk Management

The medical center is exposed to various risks of loss from medical malpractice; torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance is purchased for claims arising from such matters. The medical center is self-insured for employee health claims and judgments.

14. Net Position

The medical center's net position is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the remaining balances of any outstanding borrowings used to finance the purchase or construction of those assets. Loans received under the Paycheck Protection Program were not used to finance the purchase or construction of assets and are, therefore, not included as a component of Net Investment in Capital Assets. The restricted net position is the noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the medical center, including amounts related to the county's contributions and

bond indebtedness restricted for specific purposes. The unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted. The medical center first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. As of June 30, 2021, there was no permanently or temporarily restricted net position.

15. Income Taxes

The medical center is a not-for-profit corporation as described in Chapter 176 of the Private Acts and is exempt from federal income taxes pursuant to Section 115 of the Internal Revenue Code.

16. Performance Indicator

Excess of revenue over expenses reflected in the accompanying Statement of Revenue, Expenses, and Changes in Net Position is a performance indicator.

17. New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The primary objective of this pronouncement is to increase the usefulness of governments' financial statements by requiring the recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. This pronouncement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this pronouncement, a lessee is required to recognize a lease liability and an intangible right-to-use asset.

In June 2018, the GASB issued Statement No. 89, *Accounting for Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

These pronouncements are effective for the year ending June 30, 2022, and management is currently evaluating the impact of adoption.

18. Reclassifications

Certain reclassifications have been made to the 2020 consolidated financial statements in order for them to conform to the 2021 presentation. These reclassifications have no effect on net position or operating income as previously reported.

19. Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

20. COVID-19 Pandemic

In January 2020, the Secretary of the U.S. Department of Health and Human Services (“HHS”) declared a national public health emergency due to a novel strain of coronavirus (“COVID-19”). In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The COVID-19 pandemic has caused unprecedented disruption and risk to individuals, governments, businesses, and financial markets and remains a rapidly evolving situation. While it is not possible to predict the future impacts of the pandemic on the medical center's financial condition and results of operations, significant disruptions to key business drivers, such as lower patient volumes and workforce did occur during fiscal year 2020 and continued to occur during fiscal year 2021. In response to the economic impact of COVID-19, the medical center has received assistance from the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) and other grants and funding mechanisms available to eligible health care providers.

During the year ended June 30, 2021, the medical center participated in certain provider relief programs offered through the CARES Act, including general and targeted distributions from the Public Health and Social Services Emergency Fund (“PHSSE Fund”). Amounts received from the PHSSE Fund are recognized upon the provision of care for individuals with possible or actual cases of COVID-19 after January 1, 2020, certification that payment will be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for health care related expenses or lost revenues that are

attributable to coronavirus, and receipt of the funds. For the year ended June 30, 2021, the medical center received approximately \$362,000 from the PHSSE Fund, which includes general and targeted distributions. The medical center used approximately \$2,640,000 of funding from the PHSSE Fund for the year ended June 30, 2021, which is included in other nonoperating income in the accompanying Statement of Revenue, Expenses and Changes in Net Position. The remaining funds totaling approximately \$5,000, are included in deferred revenue in the accompanying Statement of Net Position at June 30, 2021.

The medical center qualified for and received approximately \$1,576,000 in loans pursuant to the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration under the CARES Act for the year ended June 30, 2021. The principal amount of the PPP loans is subject to forgiveness upon the medical center's request to the extent that the PPP loans are used to pay covered payroll costs, interest on mortgages, rent and utilities (collectively, "covered expenses"). Approximately \$2,076,000 of PPP loan proceeds are included in long-term debt in the accompanying Statement of Net Position as of June 30, 2021. Approximately \$276,000 of PPP loan proceeds received during the year ended June 30, 2020, are included in other income in the accompanying Statement of Revenue, Expenses and Changes in Net Position as of June 30, 2021. See Note VII.H. for further discussion.

The medical center also received various state funding totaling approximately \$212,000 which is included as other nonoperating income in the accompanying Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2021.

21. Subsequent Events

Subsequent to June 30, 2021, the medical center received forgiveness of Paycheck Protection Program ("PPP") loans in the amounts of \$276,356 and \$1,800,000.

C. Investments

A summary of investments as of June 30, 2021, follows:

| | |
|------------------------|----------------------|
| | <u>6-30-21</u> |
| Certificate of Deposit | \$ 3,935,034 |
| Money Market | 1,100,549 |
| Equity Securities | 6,532,523 |
| Mutual Funds | <u>26,214,885</u> |
| Total | <u>\$ 37,782,991</u> |

The following schedule summarizes the investment and interest income, net in the Statement of Revenue, Expenses, and Changes in Net Position for 2021:

| | |
|-------------------------------------|---------------------|
| | <u>2021</u> |
| Interest and dividend income | \$ 1,107,630 |
| Realized gain (loss) on investments | 2,064,875 |
| Unrealized gain on investments | 3,691,582 |
| Investment expenses | <u>(104,495)</u> |
| Total | <u>\$ 6,759,592</u> |

Included with interest and dividend income is interest on cash and cash equivalents of \$138,768 for the year ended June 30, 2021.

D. Third-party Reimbursement Programs

The medical center receives revenue under various third-party reimbursement programs, which include Medicare, Medicaid, TennCare, and other third-party payors. Contractual adjustments under third-party reimbursement programs represent the difference between the medical center's billings at its established rates and the amounts reimbursed by third-party payors. They also include any differences between estimated third-party reimbursement settlements for prior years and subsequent tentative or final settlements. There were no adjustments resulting from tentative or final settlements to estimated reimbursement amounts for the year ended June 30, 2021.

1. Medicare

The medical center is paid for substantially all services rendered to inpatient Medicare program beneficiaries under prospectively determined rates-per-discharge. Those rates vary according to a classification system that is based on clinical, diagnostic, and other factors. The medical center is paid for outpatient and emergency medical services under a Medicare program known as the Ambulatory Payment Classification (APC) system. Under the APC system, outpatient services are classified into APC categories based on standard

procedure codes for the service provided and payment for the APC categories are determined using prospectively determined federal payment rates adjusted for geographical area wage differences. The medical center receives cash payments at an interim rate with final settlement determined after the medical center's submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The medical center's classification of patients under the Medicare Prospective Payment System and the appropriateness of the patients' admissions are subject to validation reviews by the Medicare peer review organization.

2. Medicaid

The Medicaid program reimburses HMCHRC for the cost of services rendered to Medicaid beneficiaries at a prospective rate, which is based on the lower of the reimbursable cost of services rendered or a reimbursement cap set by Medicaid. The reimbursement cap is expressed as a per diem.

3. TennCare

The State of Tennessee TennCare program is a managed care program, which provides health care coverage to those previously eligible for Medicaid. The medical center contracts with various managed care organizations (MCOs), which offer Health Maintenance Organization (HMO) health care products. Reimbursement to the medical center is received through per diems, Diagnosis-Related Group (DRG) payments and discounted fees for service.

4. Commercial Payors

The medical center has entered into payment agreements with certain commercial insurance carriers, HMOs, and Preferred Provider Organizations. The basis for payment to the medical center under these agreements includes prospectively determined rates per discharge and discounts from established rates.

5. Credit Concentration

The medical center grants credit to patients and generally does not require collateral or other security in extending credit; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies. At June 30, 2021, the medical center had net receivables from the federal government (Medicare) of approximately \$960,000, and from Medicaid/TennCare of approximately \$440,000.

E. Inventories

A summary of inventories as of June 30, 2021, is as follows:

| | |
|--------------|---------------------|
| Pharmacy | \$ 427,849 |
| Dietary | 11,779 |
| Departmental | <u>685,954</u> |
| Total | <u>\$ 1,125,582</u> |

F. Property and Equipment

The major classifications and changes in property and equipment as of and for the year ended June 30, 2021, are as follows:

| | Balance 7-1-20 | Increases | Decreases | Balance 6-30-21 |
|---------------------------------------|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 301,033 | \$ 30,000 | \$ 0 | \$ 331,033 |
| Construction in Progress | 959,172 | 1,392,468 | 1,284,723 | 1,066,917 |
| Total Capital Assets Not Depreciated | <u>\$ 1,260,205</u> | <u>\$ 1,422,468</u> | <u>\$ 1,284,723</u> | <u>\$ 1,397,950</u> |
| Capital Assets Depreciated: | | | | |
| Land Improvements | \$ 187,257 | \$ 0 | \$ 0 | \$ 187,257 |
| Buildings | 19,846,473 | 908,188 | 0 | 20,754,661 |
| Equipment | 11,578,479 | 656,576 | 578,441 | 11,656,614 |
| Furniture and Fixtures | 283,374 | 0 | 0 | 283,374 |
| Assets Under Capital Lease | 1,371,376 | 0 | 0 | 1,371,376 |
| Total Capital Assets Depreciated | <u>\$ 33,266,959</u> | <u>\$ 1,564,764</u> | <u>\$ 578,441</u> | <u>\$ 34,253,282</u> |
| Less Accumulated Depreciation For: | | | | |
| Land Improvements | \$ 187,031 | \$ 78 | \$ 0 | \$ 187,109 |
| Buildings | 10,928,263 | 716,809 | 0 | 11,645,072 |
| Equipment | 9,081,639 | 692,261 | 582,678 | 9,191,222 |
| Furniture and Fixtures | 261,155 | 3,970 | 0 | 265,125 |
| Assets Under Capital Lease | 1,371,375 | 0 | 0 | 1,371,375 |
| Total Accumulated Depreciation | <u>\$ 21,829,463</u> | <u>\$ 1,413,118</u> | <u>\$ 582,678</u> | <u>\$ 22,659,903</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 11,437,496</u> | <u>\$ 151,646</u> | <u>\$ (4,237)</u> | <u>\$ 11,593,379</u> |
| Total Capital Assets, Net | <u>\$ 12,697,701</u> | <u>\$ 1,574,114</u> | <u>\$ 1,280,486</u> | <u>\$ 12,991,329</u> |

No interest costs were capitalized during the year ended June 30, 2021.

Construction in progress at June 30, 2021, consists primarily of the pharmacy and equipment conversion projects. Estimated costs to complete these projects amount to \$2,900,000 at June 30, 2021.

G. Ambulance Service

Hardin County paid the construction cost of a building to house ambulance facilities and has also purchased ambulances and related equipment, but the medical center is responsible for operating the ambulance service. Expenditures by the county since the medical center began operating the ambulance service in 1997 totaled \$2,628,967 at June 30, 2021. This amount is not reflected within property and equipment in the accompanying financial statements. In addition, the county typically provides an annual subsidy to defray costs incurred in operating the ambulance service. For the year ended June 30, 2021, there was no annual subsidy.

H. Long-term Debt and Capital Lease Obligations

The major types and changes in the medical center’s long-term debt and capital lease obligations as of and for the year ended June 30, 2021, is as follows:

| | Balance 7-1-20 | Increases | Reductions | Balance 6-30-21 | Due Within One Year |
|--|---------------------|---------------------|-------------------|---------------------|------------------------|
| Tennessee Valley - Electric Cooperative Series 2010 | \$ 20,540 | \$ 0 | \$ 20,540 | \$ 0 | 0 |
| CARES Act - PPP Loan - HMCPS | 276,356 | 276,356 | 276,356 | 276,356 | 0 |
| CARES Act - PPP Loan - Medical Center | 500,000 | 1,300,000 | 0 | 1,800,000 | 0 |
| Public Building Authority of the County of Montgomery - Series 2003 | 4,030,000 | 0 | 310,000 | 3,720,000 | 322,000 |
| Capital Lease Obligations | 953,769 | 0 | 166,624 | 787,145 | 170,785 |
| Total | \$ 5,780,665 | \$ 1,576,356 | \$ 773,520 | \$ 6,583,501 | \$ 492,785 |

During July 2003, the medical center entered into a loan agreement with the Public Building Authority of the County of Montgomery, Tennessee, (building authority) whereby, the building authority loaned the medical center \$8 million for improvements to the medical center. The loan agreement bears interest at an adjustable rate (.57 percent as of June 30, 2021) and is due May 31, 2031. The variable interest rate is adjusted weekly as determined by the remarketing agent. The loan is guaranteed by Hardin County.

The agreement with the building authority loan provides for certain events of default to include failure to pay obligations, failure to observe and perform covenants, making false representations or defaulting under other loan agreements. In the event of default, all amounts due under the loan may become immediately due and payable. The full faith and credit of Hardin County, Tennessee, is irrevocably pledged to pay principal, redemption premiums, if any, and interest on the building authority loan. The building authority agreement also contains provisions allowing ad valorem taxes to be levied and collected by Hardin County, Tennessee, on all taxable property within Hardin County should funds from the medical center be insufficient to pay amounts due under the loan.

Pursuant to the agreements for the building authority loan, if the principal of all bonds issued under such loans are accelerated and the bonds are paid by the remarketing agent, the repayment schedule applicable to such loans shall be recalculated over a term of 60 months from the date of such acceleration. The interest rate on the loan amounts after such acceleration shall adjust to the prime rate as defined in the agreements.

On April 29, 2020, HMCPS qualified for and received a loan pursuant to the PPP from a qualified lender, for an aggregate principal amount of \$276,356. At June 30, 2021, this loan was forgiven by the U.S. Small Business Administration and is recognized in other nonoperating income in the accompany Statement of Revenue, Expenses, and Changes in Net Position.

On May 8, 2020, the medical center qualified for and received a loan pursuant to the PPP from a qualified lender, for an aggregate principal amount of \$500,000. The loan bore interest at a fixed rate of one percent per year, had a term of two years, and was unsecured and guaranteed by the U.S. Small Business Administration. On April 5, 2021, the medical center qualified for and received an additional loan pursuant to the PPP from a qualified lender for \$1,300,000, thus resulting in an aggregate principal amount of \$1,800,000. The loan totaling \$1,800,000 bears interest at a fixed rate of one percent per year, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. The medical center intends to apply for forgiveness of the loan with respect to covered expenses. To the extent that all or part of these funds are not forgiven, the medical center will be required to make monthly principal and interest payments totaling \$31,154, commencing on August 5, 2022, through July 5, 2027. The terms of the loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The loan may be accelerated upon the occurrence of an event of default. Outstanding borrowings under this agreement as of June 30, 2021, totaled \$1,800,000.

On April 1, 2021, HMCPS qualified for and received a loan pursuant to the PPP from a qualified lender, for an aggregate amount of \$276,356. The loan bears interest at a fixed rate of one percent per year, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. HMCPSA intends to apply for forgiveness of the loan with respect to covered

expenses. To the extent that all or part of these funds are not forgiven, HMCPS will be required to make monthly principal and interest payments totaling \$4,738, commencing on August 8, 2022, through July 8, 2027. The terms of the loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The loan may be accelerated upon the occurrence of an event of default. Outstanding borrowings under this agreement as of June 30, 2021, totaled \$276,356.

The medical center has entered into capital lease agreements to finance the acquisition of certain equipment. The agreements require monthly principal and interest payments of \$15,692 through November 2025 and collateral for the agreements includes the related equipment.

A summary of approximate future maturities and interest of long-term debt and capital lease obligations as of June 30, 2021, is as follows:

| Year Ending June 30 | Bonds | | |
|------------------------|--------------|-----------------------|-------------------|
| | Principal | Estimated Interest | Total Payments |
| 2022 | \$ 322,000 | \$ 21,000 | \$ 343,000 |
| 2023 | 331,000 | 19,000 | 350,000 |
| 2024 | 342,000 | 18,000 | 360,000 |
| 2025 | 354,000 | 16,000 | 370,000 |
| 2026 | 366,000 | 14,000 | 380,000 |
| 2027-2031 | 2,005,000 | 34,000 | 2,039,000 |
| Total | \$ 3,720,000 | \$ 122,000 | \$ 3,842,000 |

| Year Ending June 30 | PPP Loans | | |
|------------------------|--------------|-----------------------|-------------------|
| | Principal | Estimated Interest | Total Payments |
| 2023 | \$ 179,000 | \$ 34,000 | \$ 213,000 |
| 2024 | 431,000 | 17,000 | 448,000 |
| 2025 | 431,000 | 13,000 | 444,000 |
| 2026 | 431,000 | 8,000 | 439,000 |
| 2027 | 431,000 | 4,000 | 435,000 |
| 2028 | 173,356 | 1,000 | 174,356 |
| Total | \$ 2,076,356 | \$ 77,000 | \$ 2,153,356 |

| Year Ending June 30 | Capital Lease Obligations | | |
|------------------------|---------------------------|-----------------------|-------------------|
| | Principal | Estimated Interest | Total Payments |
| 2022 | \$ 170,785 | \$ 18,000 | \$ 188,785 |
| 2023 | 175,000 | 13,000 | 188,000 |
| 2024 | 179,000 | 9,000 | 188,000 |
| 2025 | 184,000 | 4,000 | 188,000 |
| 2026 | 78,360 | 1,000 | 79,360 |
| Total | <u>\$ 787,145</u> | <u>\$ 45,000</u> | <u>\$ 832,145</u> |

| Year Ending June 30 | Total - All Debt | | |
|------------------------|---------------------|-----------------------|---------------------|
| | Principal | Estimated Interest | Total Payments |
| 2022 | \$ 492,785 | \$ 39,000 | \$ 531,785 |
| 2023 | 685,000 | 66,000 | 751,000 |
| 2024 | 952,000 | 44,000 | 996,000 |
| 2025 | 969,000 | 33,000 | 1,002,000 |
| 2026 | 875,360 | 23,000 | 898,360 |
| 2027-2031 | 2,609,356 | 39,000 | 2,648,356 |
| Total | <u>\$ 6,583,501</u> | <u>\$ 244,000</u> | <u>\$ 6,827,501</u> |

I. Pension Plan

General Information About the Pension Plan

Plan Description. Employees of the medical center are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent-multiple-employer pension plan administered by 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 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 | 144 |
| Inactive Employees Entitled to But Not Yet Receiving | |
| Benefits | 119 |
| Active Employees | <u>33</u> |
| Total | <u><u>296</u></u> |

Effective July 1, 2008, the medical center closed the plan to new participants. Those employees who were employed by the medical center prior to July 1, 2008, are eligible to accrue salary and service credits in the TCRS after the date the plan was closed. The medical center is responsible to continue to fund the retirement cost of the plan.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. For employees hired before July 1, 1986, the medical center had adopted a non-contributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Employees hired on and after July 1, 1986, contribute five percent of salary. The medical center 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, employer contributions for the medical center were \$422,102 based on a rate of 25.76 percent of covered payroll. By law, employer contributions are required

to be paid. The TCRS may intercept the medical center's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (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

The medical center's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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 the medical center 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

| | Increase (Decrease) | | |
|---|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balance, July 1, 2019 | \$ 31,593,804 | \$ 29,942,160 | \$ 1,651,644 |
| Changes for the year: | | | |
| Service Cost | \$ 273,259 | \$ 0 | \$ 273,259 |
| Interest | 2,228,326 | 0 | 2,228,326 |
| Differences Between Expected and Actual Experience | 265,684 | 0 | 265,684 |
| Contributions-Employer | 0 | 495,553 | (495,553) |
| Contributions-Employees | 0 | 83,805 | (83,805) |
| Net Investment Income | 0 | 1,443,322 | (1,443,322) |
| Benefit Payments, Including Refunds of Employee Contributions | (2,263,056) | (2,263,056) | 0 |
| Administrative Expense | 0 | (3,201) | 3,201 |
| Net Changes | \$ 504,213 | \$ (243,577) | \$ 747,790 |
| Balance, June 30, 2020 | \$ 32,098,017 | \$ 29,698,583 | \$ 2,399,434 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the medical center calculated using the discount rate of 7.25 percent, as well as what the net pension liability would be if it was 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 |
|-------------------------------|----------------|-----------------------------|----------------|
| Medical Center | 6.25% | 7.25% | 8.25% |
| Net Pension Liability (Asset) | \$ 5,875,563 | \$ 2,399,434 | \$ (523,953) |

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, the medical center recognized pension expense of \$704,595. Pension expense is reported within employee benefits on the accompanying consolidated Statement of Revenue, Expenses, and Changes in Net Position.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the medical center 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 |
|--|---|--|
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | \$ 177,791 | \$ 0 |
| Contributions Subsequent to the Measurement Date of June 30, 2020 (1) | 422,102 | N/A |
| Total | <u>\$ 599,893</u> | <u>\$ 0</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 in the following measurement period.

Amounts reported as deferred outflows of resources, with the exception of contributions after 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 | \$ (140,878) |
| 2023 | 63,346 |
| 2024 | 122,056 |
| 2025 | 133,268 |
| 2026 | 0 |
| Thereafter | 0 |

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

J. Deferred Contribution Plan

During July 2008, the medical center established the Hardin County General Hospital Retirement Savings Plan, a 403(b) plan, which covers full-time employees who choose not to participate, or are not allowed to participate, in the defined benefit pension plan described above. The plan is administered by the medical center and covers all full-time employees who are 18 years or older and have completed six months of service.

The medical center contributes three percent of compensation plus it will match half of each employee's contribution (up to an additional three percent). Employees are immediately vested in their elective salary deferral contributions plus actual earnings or losses thereon. Employees vest in the employer's contributions based on a five-year cliff and are fully vested after five years of continuous service.

Forfeitures are created when employees terminate employment prior to becoming fully vested in the employer contribution portion of their accounts. Such forfeitures first reduce plan expenses and then reduce the employer contributions to the plan. The board of trustees of the medical center have the authority to establish and amend the terms of the plan.

The total retirement plan expense associated with this plan for the year ended June 30, 2021, was \$569,844. Employee contributions to the plan for the year ended June 30, 2021, were \$597,708.

At June 30, 2021, the medical center reported a payable of \$43,183 for the outstanding amount of required contributions to the plan. This amount is included within accrued expenses and other current liabilities on the Statement of Net Position.

K. Commitments and Contingencies

1. Operating Commitments

The medical center leases various equipment and space under operating lease agreements. Rent expense was \$595,382 in 2021. The medical center does not have any material future minimum payments as all of the leases are on month-to-month terms. It is expected that in the normal course of business, leases that expire will be renewed or replaced by other leases; thus, it is anticipated that future lease payments will not be less than the expense for 2021.

The medical center generates rental income primarily from operating leases of medical office buildings and houses. Rental income was \$254,291 in 2021 and is included in other operating revenue. Lease terms are yearly or month-to-month.

2. Insurance

The medical center maintains commercial insurance on a claims-made basis for medical malpractice liabilities. Insurance coverages are \$1,000,000 individually and \$3,000,000 in the aggregate annually. Management intends to maintain such coverages in the future. The medical center is involved in litigation arising in the ordinary course of business; however, management is of the opinion that insurance coverages are adequate to cover any potential losses on asserted claims.

Management is unaware of any incidents, which would ultimately result in a loss in excess of the medical center's insurance coverages.

The medical center is self-insured for a portion of employee medical and other health care benefits and workers' compensation claims. The risk of loss retained by the medical center is limited to \$125,000 per year for each employee's medical claims. The medical center has purchased excess insurance to provide coverage for claims in excess of the self-insured plan. Claims expenditures and liabilities are reported under the self-insurance plan when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Reserves included within accrued expenses on the accompanying Statement of Net Position, related to employee medical and other health care benefits totaled \$200,000 in 2021.

3. Health Care Industry

The delivery of personal health care services entails an inherent risk of liability. Participants in the health care services industry have become subject to an increasing number of lawsuits alleging negligence or related legal theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The medical center is insured with respect to medical malpractice risk on a claims-made basis. The medical center also maintains insurance for general liability, director and officer liability, and property. Certain policies are subject to deductibles. In addition to the insurance coverage provided, the medical center indemnifies certain officers and directors for actions taken on behalf of the medical center. Management is not aware of any claims against the medical center that would have a material financial impact.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigation and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the medical center is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

Management continues to implement policies, procedures, and a compliance overview organizational structure to enforce and monitor compliance with the Health Insurance Portability and Accountability

Act of 1996 and other government statutes and regulations. The medical center's compliance with such laws and regulations is subject to future government review and interpretations, as well as regulatory actions, which are unknown or unasserted at this time.

The Centers for Medicare and Medicaid Services (CMS) have implemented a Recovery Audit Contractors (RAC) program. The purpose of the program is to reduce improper Medicare and Medicaid payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits, and they are being compensated on a contingency basis based on the amount of overpayments that are recovered. While management believes that all Medicare and Medicaid billings are proper and adequate support is maintained, certain aspects of Medicare and Medicaid billing, coding, and support are subject to interpretation and may be viewed differently by the RAC auditors. At June 30, 2021, the medical center recorded a reserve for potential recoveries. The reserve of \$100,000 is included within accrued expenses on the accompanying Statement of Net Position at June 30, 2021. The reserve is based on the percentage success rate and the total dollar of potential claims that are under audit.

4. **Health Care Reform**

The health care industry in the United States is subject to fundamental changes due to ongoing health care reform efforts and related political, economic, and regulatory influences. Notably, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the “Health Care Reform Legislation”) resulted in expanded health care coverage to millions of previously uninsured people beginning in 2014 and has resulted in significant changes to the U.S. health care system. To help fund this expansion, the Health Care Reform Legislation outlines certain reductions in Medicare reimbursements for various health care providers as well as certain other changes to Medicare payment methodologies. This comprehensive health care legislation has resulted and will continue to result in extensive rulemaking by regulatory authorities, and also may be altered, amended, repealed, or replaced.

Due to the complexity of the Health Care Reform Legislation, reconciliation and implementation of the legislation continues to be under consideration by lawmakers, and it is not certain as to what changes may be made in the future regarding health care policies. The State of Tennessee has elected not to adopt Medicaid expansion, as proposed under the Health Care Reform Legislation, at this time. As such, the medical center does not anticipate a significant impact to occur for the Medicaid population. While the full impact of the Health Care Reform Legislation is not fully known, changes to policies

regarding reimbursement, universal health insurance and managed competition may materially impact the medical center's operations.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Total Pension Liability | | | | | | | |
| Service Cost | \$ 667,595 | \$ 632,337 | \$ 619,117 | \$ 638,234 | \$ 661,453 | \$ 674,778 | \$ 677,711 |
| Interest | 1,662,170 | 1,737,824 | 1,831,745 | 1,884,199 | 1,923,317 | 1,973,482 | 2,045,340 |
| Differences Between Actual and Expected Experience | (360,377) | (95,122) | (662,250) | (362,700) | (361,652) | (272,936) | 144,037 |
| Change of Assumptions | 0 | 0 | 0 | 667,803 | 0 | 0 | 0 |
| Benefit Payments, Including Refunds of Employee Contributions | (904,547) | (946,272) | (1,072,791) | (1,143,902) | (1,745,901) | (1,343,105) | (1,431,115) |
| Net Change in Total Pension Liability | \$ 1,064,841 | \$ 1,328,767 | \$ 715,821 | \$ 1,683,634 | \$ 477,217 | \$ 1,032,219 | \$ 1,435,973 |
| Total Pension Liability, Beginning | 21,946,940 | 23,011,781 | 24,340,548 | 25,056,369 | 26,740,003 | 27,217,220 | 28,249,439 |
| Total Pension Liability, Ending (a) | \$ 23,011,781 | \$ 24,340,548 | \$ 25,056,369 | \$ 26,740,003 | \$ 27,217,220 | \$ 28,249,439 | \$ 29,685,412 |
| Plan Fiduciary Net Position | | | | | | | |
| Contributions - Employer | \$ 782,221 | \$ 757,660 | \$ 720,802 | \$ 719,981 | \$ 716,390 | \$ 516,985 | \$ 556,572 |
| Contributions - Employee | 393,205 | 364,967 | 344,947 | 360,166 | 385,737 | 391,000 | 397,555 |
| Net Investment Income | 3,385,111 | 739,667 | 658,870 | 2,880,843 | 2,316,217 | 2,208,020 | 1,556,456 |
| Benefit Payments, Including Refunds of Employee Contributions | (904,547) | (946,272) | (1,072,791) | (1,143,902) | (1,745,901) | (1,343,105) | (1,431,115) |
| Administrative Expense | (12,425) | (15,754) | (22,461) | (24,806) | (28,165) | (26,021) | (26,589) |
| Other | 0 | 0 | 5,329 | 0 | 0 | 0 | 0 |
| Net Change in Plan Fiduciary Net Position | \$ 3,643,565 | \$ 900,268 | \$ 634,696 | \$ 2,792,282 | \$ 1,644,278 | \$ 1,746,879 | \$ 1,052,879 |
| Plan Fiduciary Net Position, Beginning | 20,269,401 | 23,912,966 | 24,813,234 | 25,447,930 | 28,240,212 | 29,884,490 | 31,631,369 |
| Plan Fiduciary Net Position, Ending (b) | \$ 23,912,966 | \$ 24,813,234 | \$ 25,447,930 | \$ 28,240,212 | \$ 29,884,490 | \$ 31,631,369 | \$ 32,684,248 |
| Net Pension Liability (Asset), Ending (a - b) | \$ (901,185) | \$ (472,686) | \$ (391,561) | \$ (1,500,209) | \$ (2,667,270) | \$ (3,381,930) | \$ (2,998,836) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 103.92% | 101.94% | 101.56% | 105.61% | 109.80% | 111.97% | 110.10% |
| Covered Payroll | \$ 7,389,084 | \$ 7,297,440 | \$ 6,926,286 | \$ 7,199,804 | \$ 7,163,884 | \$ 7,385,493 | \$ 7,951,021 |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | (12.2)% | (6.48)% | (5.65)% | (20.84)% | (37.23)% | (45.79)% | (37.72)% |

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

Hardin 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 | \$ 782,221 | \$ 757,660 | \$ 720,802 | \$ 299,512 | \$ 318,793 | \$ 328,655 | \$ 278,286 | \$ 99,499 |
| Less Contributions in Relation to the Actuarially Determined Contribution | (782,221) | (757,660) | (720,802) | (719,981) | (716,390) | (516,985) | (556,572) | (561,687) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ (420,469) | \$ (397,597) | \$ (188,330) | \$ (278,286) | \$ (462,188) |
| Covered Payroll | \$ 7,389,084 | \$ 7,297,440 | \$ 6,926,286 | \$ 7,199,804 | \$ 7,163,884 | \$ 7,385,493 | \$ 7,951,021 | \$ 8,024,075 |
| Contributions as a Percentage of Covered Payroll | 10.59% | 10.38% | 10.41% | 10.00% | 10.00% | 7.00% | 7.00% | 7.00% |

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

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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------|------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution | \$ 6,511 | \$ 32,298 | \$ 52,196 | \$ 62,858 | \$ 38,262 | \$ 52,226 | \$ 60,087 |
| Less Contributions in Relation to the Contractually Required Contribution | (6,511) | (32,298) | (52,196) | (62,858) | (38,262) | (52,226) | (60,087) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 162,771 | \$ 807,463 | \$ 1,304,902 | \$ 1,571,423 | \$ 1,972,238 | \$ 2,572,714 | \$ 2,974,638 |
| Contributions as a Percentage of Covered Payroll | 4.00% | 4.00% | 4.00% | 4.00% | 1.94% | 2.03% | 2.02% |

Note 1: 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%

Note 2: Ten years of data will be presented when available.

Exhibit F-4

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution | \$ 1,256,719 | \$ 1,180,701 | \$ 1,167,681 | \$ 1,162,499 | \$ 1,134,251 | \$ 1,273,054 | \$ 1,285,152 | \$ 1,268,089 |
| Less Contributions in Relation to the Contractually Required Contribution | (1,256,719) | (1,180,701) | (1,167,681) | (1,162,499) | (1,134,251) | (1,273,054) | (1,285,152) | (1,268,089) |
| Contribution Deficiency (Excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered Payroll | \$ 14,152,240 | \$ 13,060,845 | \$ 12,916,828 | \$ 12,859,527 | \$ 12,491,715 | \$ 12,170,688 | \$ 12,089,856 | \$ 12,347,500 |
| Contributions as a Percentage of Covered Payroll | 8.88% | 9.04% | 9.04% | 9.04% | 9.08% | 10.46% | 10.63% | 10.27% |

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

Exhibit F-5

Hardin County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Hardin 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) | 0.076724% | 0.183511% | 0.198816% | 0.179823% | 0.186379% | 0.203874% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (3,152) | \$ (19,104) | \$ (52,454) | \$ (81,555) | \$ (105,208) | \$ (115,931) |
| Covered Payroll | \$ 162,771 | \$ 807,463 | \$ 1,304,902 | \$ 1,571,423 | \$ 1,972,238 | \$ 2,572,714 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (1.94)% | (2.37)% | (4.02)% | (5.19)% | (5.33)% | (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

Hardin County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Hardin 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) | 0.360567% | 0.348894% | 0.357827% | 0.363782% | 0.356736% | 0.362964% | 0.363249% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (58,591) | \$ 142,919 | \$ 2,236,219 | \$ (119,025) | \$ (1,255,325) | \$ (3,731,919) | \$ (2,770,039) |
| Covered Payroll | \$ 14,152,240 | \$ 13,060,845 | \$ 12,916,828 | \$ 12,859,527 | \$ 12,491,715 | \$ 12,170,688 | \$ 12,089,856 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (0.41)% | 1.09% | 17.31% | (0.93)% | (1.05)% | (30.66)% | (22.91)% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset) | 100.08% | 99.81% | 97.14% | 100.14% | 101.49% | 104.28% | 103.09% |

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

Exhibit F-7

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

Hardin County Government

| | 2017 | 2018 | 2019 | 2020 |
|--|-------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 32,759 | \$ 30,322 | \$ 34,709 | \$ 36,446 |
| Interest | 10,268 | 13,162 | 13,499 | 11,696 |
| Differences Between Actual and Expected Experience | 0 | (62,420) | (101,532) | (28,479) |
| Changes in Assumptions or Other Inputs | (18,074) | 21,646 | 15,114 | 25,715 |
| Benefit Payments | (4,089) | (4,757) | (3,101) | (3,343) |
| Net Change in Total OPEB Liability | \$ 20,864 | \$ (2,047) | \$ (41,311) | \$ 42,035 |
| Total OPEB Liability, Beginning | 320,914 | 341,778 | 339,731 | 298,420 |
| Total OPEB Liability, Ending | <u>\$ 341,778</u> | <u>\$ 339,731</u> | <u>\$ 298,420</u> | <u>\$ 340,455</u> |
| Covered Employee Payroll | \$ 4,882,721 | \$ 4,141,886 | \$ 4,493,960 | \$ 4,551,630 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 7.00% | 8.20% | 6.64% | 7.48% |

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.

Exhibit F-8

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

| | 2017 | 2018 | 2019 | 2020 |
|---|---------------|----------------|---------------|---------------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 659,166 | \$ 614,279 | \$ 392,202 | \$ 322,748 |
| Interest | 350,503 | 423,383 | 319,194 | 284,983 |
| Changes in Benefit Terms | 0 | (1,386,052) | 0 | 0 |
| Differences Between Actual and Expected Experience | 0 | (2,113,834) | (136,936) | (111,657) |
| Changes in Assumptions or Other Inputs | (486,902) | 246,246 | (607,718) | 882,531 |
| Benefit Payments | (539,627) | (637,587) | (642,550) | (547,721) |
| Net Change in Total OPEB Liability | \$ (16,860) | \$ (2,853,565) | \$ (675,808) | \$ 830,884 |
| Total OPEB Liability, Beginning | 11,614,160 | 11,597,300 | 8,743,735 | 8,067,927 |
| Total OPEB Liability, Ending | \$ 11,597,300 | \$ 8,743,735 | \$ 8,067,927 | \$ 8,898,811 |
| Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability | \$ 2,691,838 | \$ 2,326,944 | \$ 2,244,780 | \$ 2,468,914 |
| Employer Proportionate Share of the Total OPEB Liability | 8,905,462 | 6,416,791 | 5,823,147 | 6,429,897 |
| Covered Employee Payroll | \$ 14,740,669 | \$ 14,471,923 | \$ 14,484,612 | \$ 14,761,210 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 60.41% | 44.34% | 40.20% | 43.56% |

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.

HARDIN 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 | 7.25%, Net of Investment Expense, Including Inflation |
| Retirement Age | Pattern of Retirement Determined by Experience Study |
| Mortality | Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement |
| Cost of Living Adjustment | 2.25% |

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

| | Special Revenue Funds | | | Total Nonmajor Governmental Funds |
|--|--------------------------------|-----------------|--|--|
| | Solid Waste / Sanitation | Drug Control | Constitu - tional Officers - Fees | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 0 | 512 | \$ 512 |
| Equity in Pooled Cash and Investments | 545,852 | 76,249 | 0 | 622,101 |
| Accounts Receivable | 37,893 | 17 | 0 | 37,910 |
| Due from Other Governments | 218,462 | 1,250 | 0 | 219,712 |
| Property Taxes Receivable | 236,863 | 0 | 0 | 236,863 |
| Allowance for Uncollectible Property Taxes | (9,346) | 0 | 0 | (9,346) |
| Cash Shortage | 0 | 0 | 152 | 152 |
| Total Assets | \$ 1,029,724 | \$ 77,516 | \$ 664 | \$ 1,107,904 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 4,739 | \$ 0 | \$ 0 | \$ 4,739 |
| Accrued Payroll | 19,459 | 2,435 | 0 | 21,894 |
| Payroll Deductions Payable | 1,955 | 187 | 0 | 2,142 |
| Due to Other Funds | 0 | 0 | 664 | 664 |
| Total Liabilities | \$ 26,153 | \$ 2,622 | \$ 664 | \$ 29,439 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Current Property Taxes | \$ 219,966 | \$ 0 | \$ 0 | \$ 219,966 |
| Deferred Delinquent Property Taxes | 6,772 | 0 | 0 | 6,772 |
| Other Deferred/Unavailable Revenue | 105,064 | 0 | 0 | 105,064 |
| Total Deferred Inflows of Resources | \$ 331,802 | \$ 0 | \$ 0 | \$ 331,802 |

(Continued)

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

FUND BALANCES

Restricted:
 Restricted for Public Safety
 Committed:
 Committed for Public Health and Welfare
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

| <u>Special Revenue Funds</u> | | | |
|---|-------------------------|--|--|
| <u>Solid Waste / Sanitation</u> | <u>Drug Control</u> | <u>Constitu - tional Officers - Fees</u> | <u>Total Nonmajor Governmental Funds</u> |
| \$ 0 | \$ 74,894 | \$ 0 | \$ 74,894 |
| <u>671,769</u> | <u>0</u> | <u>0</u> | <u>671,769</u> |
| <u>\$ 671,769</u> | <u>\$ 74,894</u> | <u>\$ 0</u> | <u>\$ 746,663</u> |
| <u>\$ 1,029,724</u> | <u>\$ 77,516</u> | <u>\$ 664</u> | <u>\$ 1,107,904</u> |

Exhibit G-2

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

| | Special Revenue Funds | | | Total Nonmajor Governmental Funds |
|--|--------------------------------|--------------------|--|--|
| | Solid Waste / Sanitation | Drug Control | Constitu - tional Officers - Fees | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 1,285,559 | \$ 0 | \$ 0 | \$ 1,285,559 |
| Fines, Forfeitures, and Penalties | 0 | 7,165 | 0 | 7,165 |
| Charges for Current Services | 388,001 | 0 | 2,835 | 390,836 |
| Other Local Revenues | 340 | 248 | 0 | 588 |
| State of Tennessee | 38,952 | 5,800 | 0 | 44,752 |
| Federal Government | 65,102 | 0 | 0 | 65,102 |
| Other Governments and Citizens Groups | 8,983 | 0 | 0 | 8,983 |
| Total Revenues | <u>\$ 1,786,937</u> | <u>\$ 13,213</u> | <u>\$ 2,835</u> | <u>\$ 1,802,985</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Administration of Justice | \$ 0 | \$ 0 | \$ 2,835 | \$ 2,835 |
| Public Safety | 0 | 46,605 | 0 | 46,605 |
| Public Health and Welfare | 1,649,109 | 0 | 0 | 1,649,109 |
| Other Operations | 189,529 | 15,276 | 0 | 204,805 |
| Total Expenditures | <u>\$ 1,838,638</u> | <u>\$ 61,881</u> | <u>\$ 2,835</u> | <u>\$ 1,903,354</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (51,701)</u> | <u>\$ (48,668)</u> | <u>\$ 0</u> | <u>\$ (100,369)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 5,753 | \$ 0 | \$ 0 | \$ 5,753 |
| Transfers In | 0 | 80,350 | 0 | 80,350 |
| Total Other Financing Sources (Uses) | <u>\$ 5,753</u> | <u>\$ 80,350</u> | <u>\$ 0</u> | <u>\$ 86,103</u> |

(Continued)

Exhibit G-2

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

| | Special Revenue Funds | | | Total Nonmajor Governmental Funds |
|-----------------------------|--------------------------------|------------------|--|--|
| | Solid Waste / Sanitation | Drug Control | Constitu - tional Officers - Fees | |
| Net Change in Fund Balances | \$ (45,948) | \$ 31,682 | \$ 0 | \$ (14,266) |
| Fund Balance, July 1, 2020 | 717,717 | 43,212 | 0 | 760,929 |
| Fund Balance, June 30, 2021 | <u>\$ 671,769</u> | <u>\$ 74,894</u> | <u>\$ 0</u> | <u>\$ 746,663</u> |

Exhibit G-3

Hardin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 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> | | | | | | |
| Local Taxes | \$ 1,285,559 | \$ 0 | \$ 1,285,559 | \$ 1,076,715 | \$ 1,076,715 | \$ 208,844 |
| Charges for Current Services | 388,001 | 0 | 388,001 | 359,000 | 359,000 | 29,001 |
| Other Local Revenues | 340 | 0 | 340 | 0 | 0 | 340 |
| State of Tennessee | 38,952 | 0 | 38,952 | 0 | 38,952 | 0 |
| Federal Government | 65,102 | 0 | 65,102 | 0 | 0 | 65,102 |
| Other Governments and Citizens Groups | 8,983 | 0 | 8,983 | 16,326 | 16,326 | (7,343) |
| Total Revenues | \$ 1,786,937 | \$ 0 | \$ 1,786,937 | \$ 1,452,041 | \$ 1,490,993 | \$ 295,944 |
| <u>Expenditures</u> | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | |
| Sanitation Management | \$ 139,781 | \$ (258) | \$ 139,523 | \$ 99,941 | \$ 140,753 | \$ 1,230 |
| Waste Pickup | 757,113 | 0 | 757,113 | 707,858 | 774,611 | 17,498 |
| Convenience Centers | 339,563 | 0 | 339,563 | 339,820 | 354,720 | 15,157 |
| Landfill Operation and Maintenance | 412,652 | 0 | 412,652 | 329,500 | 414,298 | 1,646 |
| <u>Other Operations</u> | | | | | | |
| Other Charges | 71,219 | 0 | 71,219 | 69,750 | 71,050 | (169) |
| Employee Benefits | 118,310 | 0 | 118,310 | 125,350 | 125,350 | 7,040 |
| Total Expenditures | \$ 1,838,638 | \$ (258) | \$ 1,838,380 | \$ 1,672,219 | \$ 1,880,782 | \$ 42,402 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (51,701) | \$ 258 | \$ (51,443) | \$ (220,178) | \$ (389,789) | \$ 338,346 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Insurance Recovery | \$ 5,753 | \$ 0 | \$ 5,753 | \$ 0 | \$ 5,753 | \$ 0 |
| Total Other Financing Sources | \$ 5,753 | \$ 0 | \$ 5,753 | \$ 0 | \$ 5,753 | \$ 0 |

(Continued)

Exhibit G-3

Hardin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund (Cont.)

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2020 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|-----------------------------|---------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | Original | Final | |
| Net Change in Fund Balance | \$ (45,948) | \$ 258 | \$ (45,690) | \$ (220,178) | \$ (384,036) | \$ 338,346 |
| Fund Balance, July 1, 2020 | 717,717 | (258) | 717,459 | 691,265 | 691,265 | 26,194 |
| Fund Balance, June 30, 2021 | \$ 671,769 | \$ 0 | \$ 671,769 | \$ 471,087 | \$ 307,229 | \$ 364,540 |

Exhibit G-4

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------------|--------------------|--------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Fines, Forfeitures, and Penalties | \$ 7,165 | \$ 16,885 | \$ 16,885 | \$ (9,720) |
| Other Local Revenues | 248 | 0 | 0 | 248 |
| State of Tennessee | 5,800 | 5,800 | 5,800 | 0 |
| Total Revenues | <u>\$ 13,213</u> | <u>\$ 22,685</u> | <u>\$ 22,685</u> | <u>\$ (9,472)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 46,605 | \$ 49,133 | \$ 49,279 | \$ 2,674 |
| <u>Other Operations</u> | | | | |
| Other Charges | 1,857 | 2,300 | 2,300 | 443 |
| Employee Benefits | 13,419 | 14,123 | 14,203 | 784 |
| Total Expenditures | <u>\$ 61,881</u> | <u>\$ 65,556</u> | <u>\$ 65,782</u> | <u>\$ 3,901</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (48,668)</u> | <u>\$ (42,871)</u> | <u>\$ (43,097)</u> | <u>\$ (5,571)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 80,350 | \$ 80,350 | \$ 80,350 | 0 |
| Total Other Financing Sources | <u>\$ 80,350</u> | <u>\$ 80,350</u> | <u>\$ 80,350</u> | <u>0</u> |
| Net Change in Fund Balance | \$ 31,682 | \$ 37,479 | \$ 37,253 | \$ (5,571) |
| Fund Balance, July 1, 2020 | <u>43,212</u> | <u>36,571</u> | <u>36,571</u> | <u>6,641</u> |
| Fund Balance, June 30, 2021 | <u>\$ 74,894</u> | <u>\$ 74,050</u> | <u>\$ 73,824</u> | <u>\$ 1,070</u> |

Major Governmental Funds

Debt Service Funds

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

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds and notes issued for the construction and renovations of the county's schools.

Exhibit H-1

Hardin 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 | \$ 229,066 | \$ 250,619 | \$ 250,619 | \$ (21,553) |
| Other Local Revenues | 154,179 | 143,000 | 143,000 | 11,179 |
| State of Tennessee | 21,400 | 20,000 | 20,000 | 1,400 |
| Other Governments and Citizens Groups | 623,223 | 545,309 | 821,879 | (198,656) |
| Total Revenues | <u>\$ 1,027,868</u> | <u>\$ 958,928</u> | <u>\$ 1,235,498</u> | <u>\$ (207,630)</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 949,481 | \$ 950,144 | \$ 950,026 | \$ 545 |
| Highways and Streets | 180,000 | 180,000 | 180,000 | 0 |
| Education | 239,876 | 0 | 239,876 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 183,224 | 374,128 | 374,246 | 191,022 |
| Highways and Streets | 26,400 | 26,400 | 26,400 | 0 |
| Education | 36,694 | 0 | 36,694 | 0 |
| <u>Other Debt Service</u> | | | | |
| General Government | 36,112 | 44,105 | 44,105 | 7,993 |
| Total Expenditures | <u>\$ 1,651,787</u> | <u>\$ 1,574,777</u> | <u>\$ 1,851,347</u> | <u>\$ 199,560</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (623,919)</u> | <u>\$ (615,849)</u> | <u>\$ (615,849)</u> | <u>\$ (8,070)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 811,483 | \$ 724,500 | \$ 724,500 | \$ 86,983 |
| Total Other Financing Sources | <u>\$ 811,483</u> | <u>\$ 724,500</u> | <u>\$ 724,500</u> | <u>\$ 86,983</u> |
| Net Change in Fund Balance | \$ 187,564 | \$ 108,651 | \$ 108,651 | \$ 78,913 |
| Fund Balance, July 1, 2020 | 1,971,347 | 1,976,397 | 1,976,397 | (5,050) |
| Fund Balance, June 30, 2021 | <u>\$ 2,158,911</u> | <u>\$ 2,085,048</u> | <u>\$ 2,085,048</u> | <u>\$ 73,863</u> |

Exhibit H-2

Hardin County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural 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 | \$ 527,131 | \$ 403,491 | \$ 403,491 | \$ 123,640 |
| Other Local Revenues | 7,178 | 6,100 | 6,100 | 1,078 |
| Other Governments and Citizens Groups | 2,423,751 | 2,035,998 | 2,035,998 | 387,753 |
| Total Revenues | <u>\$ 2,958,060</u> | <u>\$ 2,445,589</u> | <u>\$ 2,445,589</u> | <u>\$ 512,471</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| Education | \$ 1,420,000 | \$ 1,420,000 | \$ 1,420,000 | \$ 0 |
| <u>Interest on Debt</u> | | | | |
| Education | 1,016,025 | 1,016,025 | 1,016,025 | 0 |
| <u>Other Debt Service</u> | | | | |
| Education | 5,639 | 4,300 | 6,100 | 461 |
| Total Expenditures | <u>\$ 2,441,664</u> | <u>\$ 2,440,325</u> | <u>\$ 2,442,125</u> | <u>\$ 461</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 516,396</u> | <u>\$ 5,264</u> | <u>\$ 3,464</u> | <u>\$ 512,932</u> |
| Net Change in Fund Balance | \$ 516,396 | \$ 5,264 | \$ 3,464 | \$ 512,932 |
| Fund Balance, July 1, 2020 | 3,157,838 | 3,619,637 | 3,619,637 | (461,799) |
| Fund Balance, June 30, 2021 | <u>\$ 3,674,234</u> | <u>\$ 3,624,901</u> | <u>\$ 3,623,101</u> | <u>\$ 51,133</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 and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Hardin 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>Custodial</u> | <u>Total</u> |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 502,305 | \$ 502,305 |
| Due from Other Governments | 827,834 | 0 | 827,834 |
| Total Assets | <u>\$ 827,834</u> | <u>\$ 502,305</u> | <u>\$ 1,330,139</u> |
| <u>LIABILITIES</u> | | | |
| Due to Other Taxing Units | \$ 827,834 | \$ 0 | \$ 827,834 |
| Total Liabilities | <u>\$ 827,834</u> | <u>\$ 0</u> | <u>\$ 827,834</u> |
| Total Deferred Inflows | | | |
| <u>NET POSITION</u> | | | |
| Restricted for Individuals, Organizations, and Other Governments | \$ 0 | \$ 502,305 | \$ 502,305 |
| Total Net Position | <u>\$ 0</u> | <u>\$ 502,305</u> | <u>\$ 502,305</u> |

Exhibit I-2

Hardin 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 | \$ 4,590,847 | \$ 0 | \$ 4,590,847 |
| Fines/Fees and Other Collections | 0 | 7,631,663 | 7,631,663 |
| Total Additions | <u>\$ 4,590,847</u> | <u>\$ 7,631,663</u> | <u>\$ 12,222,510</u> |
| <u>Deductions</u> | | | |
| Payment of Sales Tax Collections for Other Governments | \$ 4,590,847 | \$ 0 | \$ 4,590,847 |
| Payments to State | 0 | 4,428,195 | 4,428,195 |
| Payments to Cities, Individuals, and Others | 0 | 3,311,444 | 3,311,444 |
| Total Deductions | <u>\$ 4,590,847</u> | <u>\$ 7,739,639</u> | <u>\$ 12,330,486</u> |
| Change in Net Position | \$ 0 | \$ (107,976) | \$ (107,976) |
| Net Position July 1, 2020 | 0 | 0 | 0 |
| Restatement - See Note I.D.9. | 0 | 610,281 | 610,281 |
| Net Position June 30, 2021 | <u>\$ 0</u> | <u>\$ 502,305</u> | <u>\$ 502,305</u> |

Hardin County School Department

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

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

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

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

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.

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

Employee Insurance Fund – The Employee Insurance Fund is used to account for transactions pertaining to the school department's dental insurance plan.

Exhibit J-1

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

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|--|----------------------|----------------------------|---|---|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position Total Governmental Activities |
| Governmental Activities: | | | | | |
| Instruction | \$ 22,991,374 | \$ 128,678 | \$ 2,276,477 | \$ 3,037,470 | \$ (17,548,749) |
| Support Services | 12,499,480 | 63,044 | 923,299 | 1,025,457 | (10,487,680) |
| Operation of Non-instructional Services | 4,083,693 | 123,973 | 2,861,248 | 21,797 | (1,076,675) |
| Total Governmental Activities | <u>\$ 39,574,547</u> | <u>\$ 315,695</u> | <u>\$ 6,061,024</u> | <u>\$ 4,084,724</u> | <u>\$ (29,113,104)</u> |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 8,386,320 |
| Local Option Sales Taxes | | | | | 6,059,513 |
| Other Local Taxes | | | | | 33,073 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 18,395,812 |
| Miscellaneous | | | | | 25,443 |
| Total General Revenues | | | | | <u>\$ 32,900,161</u> |
| Change in Net Position | | | | | \$ 3,787,057 |
| Net Position, July 1, 2020 | | | | | 34,276,902 |
| Restatement - See Note I.D.9. | | | | | 1,115,835 |
| Net Position, June 30, 2021 | | | | | <u>\$ 39,179,794</u> |

Exhibit J-2

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

| | <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>School</u> | <u>Projects</u> | <u>Governmental</u> | <u>Governmental</u> |
| | <u>School</u> | <u>Projects</u> | <u>Funds</u> | <u>Funds</u> |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 0 | \$ 1,117,193 | \$ 1,117,193 |
| Equity in Pooled Cash and Investments | 7,037,932 | 137,715 | 1,288,140 | 8,463,787 |
| Accounts Receivable | 2,424 | 0 | 949 | 3,373 |
| Due from Other Governments | 1,391,541 | 363,384 | 0 | 1,754,925 |
| Property Taxes Receivable | 8,648,310 | 0 | 0 | 8,648,310 |
| Allowance for Uncollectible Property Taxes | (342,680) | 0 | 0 | (342,680) |
| Restricted Assets | 182,556 | 0 | 0 | 182,556 |
| Total Assets | \$ 16,920,083 | \$ 501,099 | \$ 2,466,282 | \$ 19,887,464 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 20,758 | \$ 251,099 | \$ 7,535 | \$ 279,392 |
| Payroll Deductions Payable | 180,352 | 0 | 0 | 180,352 |
| Contracts Payable | 542,482 | 0 | 0 | 542,482 |
| Retainage Payable | 28,552 | 0 | 0 | 28,552 |
| Due to Primary Government | 392,843 | 0 | 0 | 392,843 |
| Total Liabilities | \$ 1,164,987 | \$ 251,099 | \$ 7,535 | \$ 1,423,621 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Current Property Taxes | \$ 8,065,426 | \$ 0 | \$ 0 | \$ 8,065,426 |
| Deferred Delinquent Property Taxes | 211,653 | 0 | 0 | 211,653 |
| Other Deferred/Unavailable Revenue | 560,394 | 0 | 0 | 560,394 |
| Total Deferred Inflows of Resources | \$ 8,837,473 | \$ 0 | \$ 0 | \$ 8,837,473 |

(Continued)

Exhibit J-2

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

| | <u>Major Funds</u> | | <u>Nonmajor</u> | <u>Total</u> |
|---|----------------------|---------------------|---------------------|----------------------|
| | <u>General</u> | <u>School</u> | <u>Funds</u> | |
| | | | <u>Other</u> | |
| <u>Purpose</u> | <u>Federal</u> | <u>Governmental</u> | <u>Governmental</u> | |
| | <u>School</u> | <u>Projects</u> | <u>Funds</u> | <u>Funds</u> |
| <u>FUND BALANCES</u> | | | | |
| Restricted: | | | | |
| Restricted for Education | \$ 0 | \$ 0 | \$ 1,169,658 | \$ 1,169,658 |
| Restricted for Instruction | 10,341 | 0 | 0 | 10,341 |
| Restricted for Operation of Non-instructional Services | 0 | 0 | 1,286,470 | 1,286,470 |
| Restricted for Capital Projects | 0 | 0 | 2,619 | 2,619 |
| Restricted for Hybrid Retirement Stabilization Funds | 182,556 | 0 | 0 | 182,556 |
| Committed: | | | | |
| Committed for Education | 1,756,984 | 0 | 0 | 1,756,984 |
| Assigned: | | | | |
| Assigned for Education | 0 | 250,000 | 0 | 250,000 |
| Unassigned | 4,967,742 | 0 | 0 | 4,967,742 |
| Total Fund Balances | <u>\$ 6,917,623</u> | <u>\$ 250,000</u> | <u>\$ 2,458,747</u> | <u>\$ 9,626,370</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 16,920,083</u> | <u>\$ 533,629</u> | <u>\$ 2,466,282</u> | <u>\$ 19,919,994</u> |

Exhibit J-3

Hardin County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Hardin 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) | | \$ 9,626,370 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 1,217,760 | |
| Add: construction in progress | 1,420,079 | |
| Add: buildings and improvements net of accumulated depreciation | 30,190,156 | |
| Add: other capital assets net of accumulated depreciation | <u>548,893</u> | 33,376,888 |
| (2) Internal service funds are used by management to charge the costs of employee insurance benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. | | 113,230 |
| (3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: contributions due on primary government debt for capital lease | \$ (801,642) | |
| Less: contributions due on primary government debt for other loan | (913,531) | |
| Less: compensated absences payable | (517,643) | |
| Less: net OPEB liability | <u>(6,429,897)</u> | (8,662,713) |
| (4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years. | | |
| Add: deferred outflows of resources related to pensions | \$ 2,656,619 | |
| Less: deferred inflows of resources related to pensions | (1,494,153) | |
| Add: deferred outflows related to OPEB | 1,024,307 | |
| Less: deferred inflows related to OPEB | <u>(2,021,721)</u> | 165,052 |
| (5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds. | | |
| Add: net pension asset - agent plan | \$ 902,950 | |
| Add: net pension asset - teacher retirement plan | 115,931 | |
| Add: net pension asset - teacher legacy pension plan | <u>2,770,039</u> | 3,788,920 |
| (6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>772,047</u> |
| Net position of governmental activities (Exhibit A) | | <u>\$ 39,179,794</u> |

Exhibit J-4

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

| | Major Funds | | Nonmajor Funds | Total Governmental Funds |
|--|------------------------------|-------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | School Federal Projects | Other Govern- mental Funds | |
| | | | | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 14,428,936 | \$ 0 | \$ 0 | \$ 14,428,936 |
| Licenses and Permits | 774 | 0 | 0 | 774 |
| Charges for Current Services | 24,741 | 0 | 84,080 | 108,821 |
| Other Local Revenues | 60,933 | 0 | 1,019,200 | 1,080,133 |
| State of Tennessee | 18,581,130 | 0 | 0 | 18,581,130 |
| Federal Government | 819,389 | 5,808,858 | 2,258,182 | 8,886,429 |
| Total Revenues | <u>\$ 33,915,903</u> | <u>\$ 5,808,858</u> | <u>\$ 3,361,462</u> | <u>\$ 43,086,223</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Instruction | \$ 16,921,115 | \$ 4,287,440 | \$ 0 | \$ 21,208,555 |
| Support Services | 11,445,627 | 1,250,250 | 0 | 12,695,877 |
| Operation of Non-Instructional Services | 740,851 | 271,567 | 2,988,528 | 4,000,946 |
| Capital Outlay | 1,332,536 | 0 | 0 | 1,332,536 |
| Debt Service: | | | | |
| Other Debt Service | 2,393,477 | 0 | 0 | 2,393,477 |
| Total Expenditures | <u>\$ 32,833,606</u> | <u>\$ 5,809,257</u> | <u>\$ 2,988,528</u> | <u>\$ 41,631,391</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 1,082,297</u> | <u>\$ (399)</u> | <u>\$ 372,934</u> | <u>\$ 1,454,832</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 737,660 | \$ 0 | \$ 0 | \$ 737,660 |
| Transfers In | 0 | 250,000 | 0 | 250,000 |
| Transfers Out | (250,000) | 0 | 0 | (250,000) |
| Total Other Financing Sources (Uses) | <u>\$ 487,660</u> | <u>\$ 250,000</u> | <u>\$ 0</u> | <u>\$ 737,660</u> |

(Continued)

Exhibit J-4

Hardin County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Hardin 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 | \$ 1,569,957 | \$ 249,601 | \$ 372,934 | \$ 2,192,492 |
| Restatement - See Note I.D.9. | 0 | 0 | 1,115,835 | 1,115,835 |
| Fund Balance, July 1, 2020 | 5,347,666 | 399 | 969,978 | 6,318,043 |
| Fund Balance, June 30, 2021 | <u>\$ 6,917,623</u> | <u>\$ 250,000</u> | <u>\$ 2,458,747</u> | <u>\$ 9,626,370</u> |

Exhibit J-5

Hardin County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hardin 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) | | \$ 2,192,492 |
| | | |
| (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 | \$ 2,321,972 | |
| Less: current-year depreciation expense | <u>(2,621,660)</u> | (299,688) |
| | | |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. | | |
| Less: book value of capital assets disposed | | (42,731) |
| | | |
| (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 | \$ 772,047 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2020 | <u>(722,077)</u> | 49,970 |
| | | |
| (4) The contributions of long-term debt (e.g., leases and 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 lease to primary government | \$ 131,900 | |
| Add: principal contributions on other loan to primary government | <u>107,976</u> | 239,876 |
| | | |
| (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 compensated absences payable | \$ (24,572) | |
| Change in net OPEB liability | (606,750) | |
| Change in deferred outflows related to OPEB | 503,350 | |
| Change in deferred inflows related to OPEB | 271,037 | |
| Change in net pension asset - agent plan | (150,859) | |
| Change in net pension asset - teacher retirement plan | 10,723 | |
| Change in net pension asset - teacher legacy pension plan | (961,880) | |
| Change in deferred outflows related to pensions | 328,788 | |
| Change in deferred inflows related to pensions | <u>2,270,300</u> | 1,640,137 |
| | | |
| (6) Internal service funds are used by management to charge the costs of employee insurance benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities. | | <u>7,001</u> |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 3,787,057</u> |

Exhibit J-6

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

| | <u>Special Revenue Funds</u> | | | <u>Capital Projects Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|------------------------------|------------------------|---------------------|-----------------------------------|--|
| | <u>Central Cafeteria</u> | <u>Internal School</u> | <u>Total</u> | <u>Education Capital Projects</u> | |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 1,177,193 | \$ 1,177,193 | \$ 0 | \$ 1,177,193 |
| Equity in Pooled Cash and Investments | 1,285,521 | 0 | 1,285,521 | 2,619 | 1,288,140 |
| Accounts Receivable | 949 | 0 | 949 | 0 | 949 |
| Total Assets | \$ 1,286,470 | \$ 1,177,193 | \$ 2,463,663 | \$ 2,619 | \$ 2,466,282 |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 0 | \$ 7,535 | \$ 7,535 | \$ 0 | \$ 7,535 |
| Total Liabilities | \$ 0 | \$ 7,535 | \$ 7,535 | \$ 0 | \$ 7,535 |
| <u>FUND BALANCES</u> | | | | | |
| Restricted: | | | | | |
| Restricted for Education | \$ 0 | \$ 1,169,658 | \$ 1,169,658 | \$ 0 | \$ 1,169,658 |
| Restricted for Operation of Non-instructional Services | 1,286,470 | 0 | 1,286,470 | 0 | 1,286,470 |
| Restricted for Capital Projects | 0 | 0 | 0 | 2,619 | 2,619 |
| Total Fund Balances | \$ 1,286,470 | \$ 1,169,658 | \$ 2,456,128 | \$ 2,619 | \$ 2,458,747 |
| Total Liabilities and Fund Balances | \$ 1,286,470 | \$ 1,177,193 | \$ 2,463,663 | \$ 2,619 | \$ 2,466,282 |

Exhibit J-7

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

| | <u>Special Revenue Funds</u> | | | <u>Capital</u> | <u>Total</u> |
|---|------------------------------|---------------------|---------------------|----------------------|---------------------|
| | <u>Central</u> | <u>Internal</u> | <u>Total</u> | <u>Projects Fund</u> | |
| | <u>Cafeteria</u> | <u>School</u> | | <u>Education</u> | <u>Nonmajor</u> |
| | | | | <u>Capital</u> | <u>Governmental</u> |
| | | | | <u>Projects</u> | <u>Funds</u> |
| <u>Revenues</u> | | | | | |
| Charges for Current Services | \$ 84,080 | \$ 0 | \$ 84,080 | \$ 0 | \$ 84,080 |
| Other Local Revenues | 25,292 | 993,908 | 1,019,200 | 0 | 1,019,200 |
| Federal Government | 2,258,182 | 0 | 2,258,182 | 0 | 2,258,182 |
| Total Revenues | <u>\$ 2,367,554</u> | <u>\$ 993,908</u> | <u>\$ 3,361,462</u> | <u>\$ 0</u> | <u>\$ 3,361,462</u> |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Operation of Non-Instructional Services | \$ 2,048,443 | \$ 940,085 | \$ 2,988,528 | \$ 0 | \$ 2,988,528 |
| Total Expenditures | <u>\$ 2,048,443</u> | <u>\$ 940,085</u> | <u>\$ 2,988,528</u> | <u>\$ 0</u> | <u>\$ 2,988,528</u> |
| Excess (Deficiency) of Revenues | | | | | |
| Over Expenditures | <u>\$ 319,111</u> | <u>\$ 53,823</u> | <u>\$ 372,934</u> | <u>\$ 0</u> | <u>\$ 372,934</u> |
| Net Change in Fund Balances | \$ 319,111 | \$ 53,823 | \$ 372,934 | \$ 0 | \$ 372,934 |
| Restatement - See Note I.D.9. | 0 | 1,115,835 | 1,115,835 | 0 | 1,115,835 |
| Fund Balance, July 1, 2020 | <u>967,359</u> | <u>0</u> | <u>967,359</u> | <u>2,619</u> | <u>969,978</u> |
| Fund Balance, June 30, 2021 | <u>\$ 1,286,470</u> | <u>\$ 1,169,658</u> | <u>\$ 2,456,128</u> | <u>\$ 2,619</u> | <u>\$ 2,458,747</u> |

Exhibit J-8

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------|------------------|---------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 14,428,936 | \$ 12,886,340 | \$ 12,885,349 | \$ 1,543,587 |
| Licenses and Permits | 774 | 500 | 500 | 274 |
| Charges for Current Services | 24,741 | 25,500 | 25,500 | (759) |
| Other Local Revenues | 60,933 | 31,300 | 42,550 | 18,383 |
| State of Tennessee | 18,581,130 | 18,455,891 | 18,851,917 | (270,787) |
| Federal Government | 819,389 | 15,000 | 738,668 | 80,721 |
| Total Revenues | \$ 33,915,903 | \$ 31,414,531 | \$ 32,544,484 | \$ 1,371,419 |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 13,600,261 | \$ 13,431,553 | \$ 13,759,297 | \$ 159,036 |
| Alternative Instruction Program | 213,185 | 222,977 | 222,977 | 9,792 |
| Special Education Program | 1,518,750 | 1,645,240 | 1,632,740 | 113,990 |
| Career and Technical Education Program | 1,124,053 | 1,166,374 | 1,161,374 | 37,321 |
| COVID-19 Expenditures | 464,866 | 0 | 464,866 | 0 |
| <u>Support Services</u> | | | | |
| Attendance | 216,403 | 228,309 | 226,709 | 10,306 |
| Health Services | 427,791 | 449,866 | 446,453 | 18,662 |
| Other Student Support | 927,996 | 1,029,283 | 1,016,283 | 88,287 |
| Regular Instruction Program | 827,758 | 872,334 | 881,038 | 53,280 |
| Alternative Instruction Program | 92,911 | 101,254 | 99,854 | 6,943 |
| Special Education Program | 296,545 | 390,784 | 389,384 | 92,839 |
| Career and Technical Education Program | 115,744 | 122,491 | 121,191 | 5,447 |
| Technology | 335,028 | 480,499 | 431,843 | 96,815 |
| Board of Education | 791,964 | 958,312 | 1,008,004 | 216,040 |
| Director of Schools | 276,736 | 285,605 | 285,605 | 8,869 |
| Office of the Principal | 1,525,636 | 1,565,546 | 1,556,954 | 31,318 |
| Fiscal Services | 241,337 | 255,206 | 255,206 | 13,869 |
| Operation of Plant | 2,151,502 | 2,419,947 | 2,419,057 | 267,555 |
| Maintenance of Plant | 901,787 | 875,732 | 914,480 | 12,693 |
| Transportation | 1,837,398 | 1,972,102 | 1,919,723 | 82,325 |
| COVID-19 Expenditures | 479,091 | 0 | 479,091 | 0 |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | 190,266 | 225,415 | 220,575 | 30,309 |
| Early Childhood Education | 547,145 | 569,590 | 565,590 | 18,445 |
| COVID-19 Expenditures | 3,440 | 0 | 3,440 | 0 |
| <u>Capital Outlay</u> | | | | |
| Regular Capital Outlay | 1,332,536 | 164,799 | 1,814,980 | 482,444 |
| <u>Principal on Debt</u> | | | | |
| Education | 0 | 239,876 | 0 | 0 |
| <u>Interest on Debt</u> | | | | |
| Education | 0 | 36,694 | 0 | 0 |
| <u>Other Debt Service</u> | | | | |
| Education | 2,393,477 | 1,704,743 | 2,450,796 | 57,319 |
| Total Expenditures | \$ 32,833,606 | \$ 31,414,531 | \$ 34,747,510 | \$ 1,913,904 |

(Continued)

Exhibit J-8

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|----------------|--|
| | | Original | Final | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 1,082,297 | \$ 0 | \$ (2,203,026) | \$ 3,285,323 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 737,660 | \$ 0 | \$ 735,997 | \$ 1,663 |
| Transfers Out | (250,000) | 0 | (250,000) | 0 |
| Total Other Financing Sources | \$ 487,660 | \$ 0 | \$ 485,997 | \$ 1,663 |
| Net Change in Fund Balance | \$ 1,569,957 | \$ 0 | \$ (1,717,029) | \$ 3,286,986 |
| Fund Balance, July 1, 2020 | 5,347,666 | 4,721,263 | 4,721,263 | 626,403 |
| Fund Balance, June 30, 2021 | \$ 6,917,623 | \$ 4,721,263 | \$ 3,004,234 | \$ 3,913,389 |

Exhibit J-9

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Federal Government | \$ 5,808,858 | \$ 2,879,738 | \$ 8,374,214 | \$ (2,565,356) |
| Total Revenues | \$ 5,808,858 | \$ 2,879,738 | \$ 8,374,214 | \$ (2,565,356) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 912,289 | \$ 930,691 | \$ 1,010,510 | \$ 98,221 |
| Special Education Program | 471,110 | 482,055 | 500,967 | 29,857 |
| Career and Technical Education Program | 67,897 | 35,883 | 67,897 | 0 |
| COVID-19 Expenditures | 2,836,144 | 0 | 2,836,145 | 1 |
| <u>Support Services</u> | | | | |
| Other Student Support | 119,495 | 147,126 | 142,506 | 23,011 |
| Regular Instruction Program | 492,887 | 528,888 | 573,967 | 81,080 |
| Special Education Program | 310,088 | 295,590 | 357,936 | 47,848 |
| Career and Technical Education Program | 0 | 3,705 | 0 | 0 |
| Operation of Plant | 0 | 0 | 479 | 479 |
| Transportation | 115,700 | 115,700 | 346,280 | 230,580 |
| COVID-19 Expenditures | 212,080 | 0 | 212,080 | 0 |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | 0 | 0 | 35,000 | 35,000 |
| Community Services | 261,567 | 340,100 | 516,399 | 254,832 |
| COVID-19 Expenditures | 10,000 | 0 | 10,000 | 0 |
| <u>Capital Outlay</u> | | | | |
| Regular Capital Outlay | 0 | 0 | 1,763,747 | 1,763,747 |
| Total Expenditures | \$ 5,809,257 | \$ 2,879,738 | \$ 8,373,913 | \$ 2,564,656 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (399) | \$ 0 | \$ 301 | \$ (700) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 250,000 | \$ 194,283 | \$ 266,683 | \$ (16,683) |
| Transfers Out | 0 | (194,283) | (16,683) | 16,683 |
| Total Other Financing Sources | \$ 250,000 | \$ 0 | \$ 250,000 | \$ 0 |
| Net Change in Fund Balance | \$ 249,601 | \$ 0 | \$ 250,301 | \$ (700) |
| Fund Balance, July 1, 2020 | 399 | 6,992 | 6,992 | (6,593) |
| Fund Balance, June 30, 2021 | \$ 250,000 | \$ 6,992 | \$ 257,293 | \$ (7,293) |

Exhibit J-10

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|----------------------------|--------------------------|--------------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 84,080 | \$ 165,000 | \$ 165,000 | \$ (80,920) |
| Other Local Revenues | 25,292 | 28,300 | 28,300 | (3,008) |
| Federal Government | 2,258,182 | 2,044,582 | 2,044,582 | 213,600 |
| Total Revenues | <u>\$ 2,367,554</u> | <u>\$ 2,237,882</u> | <u>\$ 2,237,882</u> | <u>\$ 129,672</u> |
| <u>Expenditures</u> | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | \$ 2,048,443 | \$ 2,317,646 | \$ 2,317,646 | \$ 269,203 |
| Total Expenditures | <u>\$ 2,048,443</u> | <u>\$ 2,317,646</u> | <u>\$ 2,317,646</u> | <u>\$ 269,203</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 319,111</u> | <u>\$ (79,764)</u> | <u>\$ (79,764)</u> | <u>\$ 398,875</u> |
| Net Change in Fund Balance | \$ 319,111 | \$ (79,764) | \$ (79,764) | \$ 398,875 |
| Fund Balance, July 1, 2020 | <u>967,359</u> | <u>961,040</u> | <u>961,040</u> | <u>6,319</u> |
| Fund Balance, June 30, 2021 | <u><u>\$ 1,286,470</u></u> | <u><u>\$ 881,276</u></u> | <u><u>\$ 881,276</u></u> | <u><u>\$ 405,194</u></u> |

Exhibit J-11

Hardin County, Tennessee
Statement of Net Position - Proprietary Fund
Discretely Presented Hardin County School Department
June 30, 2021

| | Governmental Activities - Internal Service Fund |
|---------------------------------------|--|
| | <u>Employee Insurance - Fund</u> |
| <u>ASSETS</u> | |
| Current Assets: | |
| Equity in Pooled Cash and Investments | \$ 124,991 |
| Total Assets | <u>\$ 124,991</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Accounts Payable | \$ 11,761 |
| Total Liabilities | <u>\$ 11,761</u> |
| <u>NET POSITION</u> | |
| Restricted for Other Purposes | <u>\$ 113,230</u> |
| Total Net Position | <u><u>\$ 113,230</u></u> |

Exhibit J-12

Hardin County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Hardin County School Department
Proprietary Fund
For the Year Ended June 30, 2021

| | Governmental Activities - Internal Service Fund <hr/> Employee Insurance Fund <hr/> |
|---|--|
| <u>Operating Revenues</u> | |
| <u>Charges for Current Services</u> | |
| Self-Insurance Premiums/Contributions | \$ 206,874 |
| Total Operating Revenues | <u>\$ 206,874</u> |
| <u>Operating Expenses</u> | |
| <u>Employee Benefits</u> | |
| Handling Charges and Administrative Costs | \$ 17,169 |
| Medical Claims | 182,704 |
| Total Operating Expenses | <u>\$ 199,873</u> |
| Operating Income (Loss) | <u>\$ 7,001</u> |
| Change in Net Position | \$ 7,001 |
| Net Position, July 1, 2020 | <u>106,229</u> |
| Net Position, June 30, 2021 | <u><u>\$ 113,230</u></u> |

Exhibit J-13

Hardin County, Tennessee
Statement of Cash Flows
Discretely Presented Hardin County School Department
Proprietary Fund
For the Year Ended June 30, 2021

| | Governmental Activities - Internal Service Fund Employee Insurance Fund |
|--|---|
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from Self-Insurance Premiums | \$ 206,874 |
| Payments to Fiscal Agents | (17,169) |
| Payments for Claims | (170,943) |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 18,762</u> |
| Increase (Decrease) in Cash | \$ 18,762 |
| Cash, July 1, 2020 | <u>106,229</u> |
| Cash, June 30, 2021 | <u><u>\$ 124,991</u></u> |
| <u>Reconciliation of Operating Income to Net Cash</u> <u>Provided By (Used In) Operating Activities</u> | |
| Operating Income (Loss) | \$ 7,001 |
| Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities: | |
| Changes in Assets and Liabilities: | |
| Increase in Accounts Payable | <u>11,761</u> |
| Net Cash Provided By (Used In) Operating Activities | <u><u>\$ 18,762</u></u> |
| <u>Reconciliation of Cash With the Statement of Net Position</u> | |
| Cash Per Net Position | <u>\$ 124,991</u> |
| Cash, June 30, 2021 | <u><u>\$ 124,991</u></u> |

MISCELLANEOUS SCHEDULES

Exhibit K-1

Hardin County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, 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>NOTES PAYABLE</u> | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| Capital Outlay Notes, Series 2015 | \$ 750,000 | 2.25 % | 10-20-15 | 10-20-20 | \$ 150,000 | \$ 150,000 | \$ 0 |
| Capital Outlay Note, Series 2017 - Courthouse Parking | 160,000 | 2.74 | 10-2-17 | 10-1-20 | 56,233 | 56,233 | 0 |
| Capital Outlay Note, Series 2017 - Jail Expansion/Parking | 250,000 | 2.75 | 12-4-17 | 12-4-27 | 205,322 | 23,254 | 182,068 |
| Total Notes Payable | | | | | <u>\$ 411,555</u> | <u>\$ 229,487</u> | <u>\$ 182,068</u> |
| <u>CAPITAL LEASES PAYABLE</u> | | | | | | | |
| <u>Payable through General Fund</u> | | | | | | | |
| Commercial Pumper | 241,750 | 3.79 | 3-31-14 | 5-1-23 | \$ 79,432 | \$ 25,499 | \$ 53,933 |
| Commercial Pumper | 418,200 | 2.98 | 4-18-17 | 7-31-26 | 298,783 | 38,966 | 259,817 |
| Fire Tanker | 197,834 | 2.95 | 10-21-19 | 10-24-26 | 197,834 | 25,858 | 171,976 |
| Total Payable through General Fund | | | | | <u>\$ 576,049</u> | <u>\$ 90,323</u> | <u>\$ 485,726</u> |
| <u>Payable through Highway/Public Works Fund</u> | | | | | | | |
| Weiler Paver | 178,636 | 4.69 | 12-19-18 | 6-21-21 | \$ 90,656 | \$ 90,656 | \$ 0 |
| Total Payable through Highway/Public Works Fund | | | | | <u>\$ 90,656</u> | <u>\$ 90,656</u> | <u>\$ 0</u> |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| Front Loader | 216,074 | 3.18 | 12-1-17 | 12-31-20 | \$ 54,994 | \$ 54,994 | \$ 0 |
| Total Payable through General Debt Service Fund | | | | | <u>\$ 54,994</u> | <u>\$ 54,994</u> | <u>\$ 0</u> |
| <u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u> | | | | | | | |
| Energy Management Project | 1,782,319 | 3.05 | 6-20-12 | 11-20-26 | \$ 933,542 | \$ 131,900 | \$ 801,642 |
| Total Capital Leases Payable | | | | | <u>\$ 1,655,241</u> | <u>\$ 367,873</u> | <u>\$ 1,287,368</u> |

(Continued)

Exhibit K-1

Hardin County, Tennessee

Schedule of Changes in Long-term Notes, Capital Leases, Other Loan, and Bonds (Cont.)

| 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>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 Schools Initiative | 1,330,336 | 1 | 7-14-16 | 7-1-29 | \$ 1,021,507 | \$ 107,976 | \$ 913,531 |
| Total Other Loan Payable | | | | | <u>\$ 1,021,507</u> | <u>\$ 107,976</u> | <u>\$ 913,531</u> |
| <u>BONDS PAYABLE</u> | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| General Obligation Refunding Bonds, Series 2016A | \$ 8,500,000 | 2 to 2.75 % | 5-20-16 | 6-1-37 | \$ 7,155,000 | \$ 355,000 | \$ 6,800,000 |
| General Obligation Refunding Bonds, Series 2016B | 2,000,000 | 2 | 5-20-16 | 6-1-27 | 1,320,000 | 180,000 | 1,140,000 |
| Total Payable through General Debt Service Fund | | | | | <u>\$ 8,475,000</u> | <u>\$ 535,000</u> | <u>\$ 7,940,000</u> |
| <u>Payable through Rural Debt Service Fund</u> | | | | | | | |
| General Obligation Refunding Bonds, Series 2019 | 26,575,000 | 3 to 5 | 10-18-19 | 6-1-39 | \$ 25,495,000 | \$ 1,420,000 | \$ 24,075,000 |
| Total Payable through Rural Debt Service Fund | | | | | <u>\$ 25,495,000</u> | <u>\$ 1,420,000</u> | <u>\$ 24,075,000</u> |
| Total Bonds Payable | | | | | <u>\$ 33,970,000</u> | <u>\$ 1,955,000</u> | <u>\$ 32,015,000</u> |

Exhibit K-2

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

| Year Ending June 30 | Note | | Total |
|---------------------------|------------|-----------|------------|
| | Principal | Interest | |
| 2022 | \$ 23,917 | \$ 5,077 | \$ 28,994 |
| 2023 | 24,584 | 4,410 | 28,994 |
| 2024 | 25,270 | 3,725 | 28,995 |
| 2025 | 25,966 | 3,028 | 28,994 |
| 2026 | 26,698 | 2,296 | 28,994 |
| 2027 | 27,442 | 1,552 | 28,994 |
| 2028 | 28,191 | 786 | 28,977 |
| Total | \$ 182,068 | \$ 20,874 | \$ 202,942 |

| Year Ending June 30 | Capital Leases | | Total |
|---------------------------|----------------|------------|--------------|
| | Principal | Interest | |
| 2022 | \$ 229,202 | \$ 36,870 | \$ 266,072 |
| 2023 | 236,395 | 29,676 | 266,071 |
| 2024 | 215,310 | 20,153 | 235,463 |
| 2025 | 221,887 | 20,275 | 242,162 |
| 2026 | 228,664 | 9,898 | 238,562 |
| 2027 | 155,910 | 3,215 | 159,125 |
| Total | \$ 1,287,368 | \$ 120,087 | \$ 1,407,455 |

| Year Ending June 30 | Other Loan | | Total |
|---------------------------|------------|-----------|------------|
| | Principal | Interest | |
| 2022 | \$ 109,056 | \$ 8,640 | \$ 117,696 |
| 2023 | 110,160 | 7,536 | 117,696 |
| 2024 | 111,264 | 6,432 | 117,696 |
| 2025 | 112,380 | 5,316 | 117,696 |
| 2026 | 113,508 | 4,188 | 117,696 |
| 2027 | 114,648 | 3,048 | 117,696 |
| 2028 | 115,800 | 1,896 | 117,696 |
| 2029 | 116,964 | 732 | 117,696 |
| 2030 | 9,751 | 14 | 9,765 |
| Total | \$ 913,531 | \$ 37,802 | \$ 951,333 |

(Continued)

Exhibit K-2

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

| Year Ending June 30 | Bonds | | Total |
|---------------------------|---------------|--------------|---------------|
| | Principal | Interest | |
| 2022 | \$ 2,005,000 | \$ 1,123,825 | \$ 3,128,825 |
| 2023 | 2,035,000 | 1,039,775 | 3,074,775 |
| 2024 | 2,105,000 | 954,675 | 3,059,675 |
| 2025 | 2,170,000 | 866,375 | 3,036,375 |
| 2026 | 2,205,000 | 775,125 | 2,980,125 |
| 2027 | 1,850,000 | 682,425 | 2,532,425 |
| 2028 | 1,660,000 | 607,925 | 2,267,925 |
| 2029 | 1,670,000 | 537,225 | 2,207,225 |
| 2030 | 1,685,000 | 466,175 | 2,151,175 |
| 2031 | 1,695,000 | 418,813 | 2,113,813 |
| 2032 | 1,705,000 | 371,225 | 2,076,225 |
| 2033 | 1,715,000 | 322,300 | 2,037,300 |
| 2034 | 1,730,000 | 273,125 | 2,003,125 |
| 2035 | 1,745,000 | 229,875 | 1,974,875 |
| 2036 | 1,755,000 | 178,725 | 1,933,725 |
| 2037 | 1,765,000 | 127,300 | 1,892,300 |
| 2038 | 1,260,000 | 75,600 | 1,335,600 |
| 2039 | 1,260,000 | 37,800 | 1,297,800 |
| Total | \$ 32,015,000 | \$ 9,088,288 | \$ 41,103,288 |

Exhibit K-3

Hardin County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hardin 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>PRIMARY GOVERNMENT</u> | | | |
| General | Drug Control | Operations | \$ 80,350 |
| " | General Debt Service | Debt retirement | 605,083 |
| Highway/Public Works | " | " | <u>206,400</u> |
| Total Transfers - Primary Government | | | <u>\$ 891,833</u> |
| <u>DISCRETELY PRESENTED HARDIN COUNTY SCHOOL DEPARTMENT</u> | | | |
| General Purpose School | School Federal Projects | Cash flow funds | <u>\$ 250,000</u> |
| Total Transfers - Discretely Presented Hardin County School Department | | | <u>\$ 250,000</u> |

Exhibit K-4

Hardin County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hardin 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 113, Private Acts of 1929, as amended | \$ 94,866 (1) \$ | 100,000 | RLI Insurance Company |
| Highway Commissioner | Section 8-24-102, <i>TCA</i> | 88,735 | 100,000 | " |
| Director of Schools | State Board of Education and Hardin County Board of Education | 102,560 (2) | 400,000 | Tennessee Risk Management Trust |
| Trustee | Section 8-24-102, <i>TCA</i> | 80,668 | 1,312,589 | Auto Owners Insurance Company |
| Assessor of Property | Section 8-24-102, <i>TCA</i> | 80,668 | 50,000 | RLI Insurance Company |
| County Clerk | Section 8-24-102, <i>TCA</i> | 80,668 | 100,000 | " |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, <i>TCA</i> | 80,668 | 100,000 | " |
| Clerk and Master | Section 8-24-102, <i>TCA</i> and Chancery Court Judge | 80,668 (3) | 105,000 | Western Surety Company |
| Register of Deeds | Section 8-24-102, <i>TCA</i> | 80,668 | 100,000 | RLI Insurance Company |
| Sheriff | | 88,735 (4) | 100,000 | " |
| Employee Blanket Bonds: | | | | |
| Office of County Mayor: | | | | |
| | Director of Accounts and Budget | | 100,000 | RLI Insurance Company |
| | All Other Employees | | 150,000 | Local Government Property and Casualty Fund |
| | Office of Highway Commissioner | | 150,000 | " |
| | Office of Director of Schools | | 400,000 | Tennessee Risk Management Trust |

(1) Does not include a vehicle allowance of \$6,000. Includes serving as a secretary to the Highway Commission of \$1,696.

(2) Includes chief executive officer training supplement of \$1,000 and a bonus payment of \$2,080.

(3) Does not include special commissioner fees of \$2,835.

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

Exhibit K-5

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

| | Special Revenue Funds | | | | | Debt Service Funds |
|--|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
| | General | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 5,724,589 | \$ 213,893 | \$ 0 | \$ 0 | \$ 712,981 | \$ 213,895 |
| Trustee's Collections - Prior Year | 182,544 | 7,621 | 0 | 0 | 25,394 | 7,647 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 98,849 | 3,654 | 0 | 0 | 12,069 | 4,023 |
| Interest and Penalty | 81,555 | 3,031 | 0 | 0 | 9,889 | 3,153 |
| Payments in-Lieu-of Taxes - Local Utilities | 1,733 | 65 | 0 | 0 | 217 | 65 |
| Payments in-Lieu-of Taxes - Other | 7,543 | 283 | 0 | 0 | 943 | 283 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 131,928 | 790,696 | 0 | 0 | 0 | 0 |
| Hotel/Motel Tax | 315,610 | 0 | 0 | 0 | 0 | 0 |
| Wheel Tax | 1,052,120 | 0 | 0 | 0 | 122,167 | 0 |
| Litigation Tax - General | 79,891 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 21,266 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 447,219 | 0 | 0 | 0 | 0 | 0 |
| Mixed Drink Tax | 32,268 | 0 | 0 | 0 | 0 | 0 |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 55,288 | 0 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 173,215 | 0 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 0 | 266,316 | 0 | 0 | 0 | 0 |
| Other Statutory Local Taxes | 721 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 8,351,051 | \$ 1,285,559 | \$ 0 | \$ 0 | \$ 938,948 | \$ 229,066 |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Marriage Licenses | \$ 774 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Cable TV Franchise | 99,544 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | Debt Service |
|--|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
| | General | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Licenses and Permits (Cont.)</u> | | | | | | |
| <u>Permits</u> | | | | | | |
| Beer Permits | \$ 4,940 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Licenses and Permits | \$ 105,258 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 1,140 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 5,050 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 2,981 | 0 | 3,888 | 0 | 0 | 0 |
| Drug Court Fees | 1,388 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 522 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 1,284 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 18,515 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 35,690 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 693 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 5,959 | 0 | 820 | 0 | 0 | 0 |
| Drug Court Fees | 5,330 | 0 | 0 | 0 | 0 | 0 |
| Jail Fees | 2,266 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 6,720 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 8,006 | 0 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 1,578 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | 71 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | |
| Data Entry Fee - Chancery Court | 4,964 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | Debt Service Funds |
|---|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
| | General | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | \$ 0 | \$ 0 | \$ 2,457 | \$ 0 | \$ 0 | \$ 0 |
| Total Fines, Forfeitures, and Penalties | \$ 102,157 | \$ 0 | \$ 7,165 | \$ 0 | \$ 0 | \$ 0 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Commercial and Industrial Waste Collection Charge | \$ 0 | \$ 360,170 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Surcharge - Waste Tire Disposal | 0 | 27,831 | 0 | 0 | 0 | 0 |
| Other General Service Charges | 3,602 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | |
| Library Fees | 5,485 | 0 | 0 | 0 | 0 | 0 |
| Greenbelt Late Application Fee | 100 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 101,144 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 2,835 | 0 | 0 |
| Data Processing Fee - Register | 13,700 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 2,213 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fee - Sheriff | 3,600 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 3,372 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Registration Reinstatement Fees | 685 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 133,901 | \$ 388,001 | \$ 0 | \$ 2,835 | \$ 0 | \$ 0 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 81,807 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Lease/Rentals | 78,643 | 0 | 0 | 0 | 0 | 48,000 |
| E-Rate Funding | 702 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Refunds | 115,681 | 340 | 248 | 0 | 16,544 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | Debt Service |
|--|-----------------------|--------------------------------|-----------------|--|------------------------------|----------------------------|
| | General | Solid Waste / Sanitation | Drug Control | Constitu - tional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Other Local Revenues (Cont.)</u> | | | | | | |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | \$ 67,161 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Sale of Property | 47,439 | 0 | 0 | 0 | 0 | 0 |
| Contributions and Gifts | 769 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | |
| Other Local Revenues | 0 | 0 | 0 | 0 | 0 | 106,179 |
| Total Other Local Revenues | \$ 392,202 | \$ 340 | \$ 248 | \$ 0 | \$ 16,544 | \$ 154,179 |
| <u>Fees Received From County Officials</u> | | | | | | |
| <u>Fees In-Lieu-of Salary</u> | | | | | | |
| County Clerk | \$ 436,299 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 69,117 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 171,008 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 103,868 | 0 | 0 | 0 | 0 | 0 |
| Register | 195,881 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 13,058 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 549,901 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received From County Officials | \$ 1,539,132 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 9,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Aging Programs | 32,754 | 0 | 0 | 0 | 0 | 0 |
| Solid Waste Grants | 0 | 38,952 | 0 | 0 | 0 | 0 |
| Other General Government Grants | 75,000 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | Debt Service Funds |
|--|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
| | General | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | \$ 20,800 | \$ 0 | \$ 5,800 | \$ 0 | \$ 0 | \$ 0 |
| Other Public Safety Grants | 3,200 | 0 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Health Department Programs | 147,405 | 0 | 0 | 0 | 0 | 0 |
| Other Health and Welfare Grants | 10,000 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | 0 | 0 | 0 | 0 | 361,586 | 0 |
| State Aid Program | 0 | 0 | 0 | 0 | 226,630 | 0 |
| Litter Program | 39,827 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | 42,115 | 0 | 0 | 0 | 0 | 0 |
| Resort District Sales Tax | 1,151,631 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 18,369 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Certificate of Title Fees | 4,881 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 92,478 | 0 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 564,065 | 0 | 0 | 0 | 42,800 | 21,400 |
| State Revenue Sharing - Telecommunications | 45,448 | 0 | 0 | 0 | 0 | 0 |
| State Shared Sports Gaming Privilege Tax | 6,254 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 463,203 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 2,594,404 | 0 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 18,779 | 0 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 53,779 | 0 | 0 | 0 | 0 | 0 |
| Other State Revenues | 642,837 | 0 | 0 | 0 | 300,000 | 0 |
| Total State of Tennessee | \$ 3,438,210 | \$ 38,952 | \$ 5,800 | \$ 0 | \$ 3,544,199 | \$ 21,400 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | Debt Service |
|--|-----------------------|--------------------------------|-----------------|---|------------------------------|----------------------------|
| | General | Solid Waste / Sanitation | Drug Control | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Disaster Relief | \$ 8,206 | \$ 65,102 | \$ 0 | \$ 0 | \$ 924,233 | \$ 0 |
| Homeland Security Grants | 45,600 | 0 | 0 | 0 | 0 | 0 |
| COVID-19 Grant #1 | 41,748 | 0 | 0 | 0 | 0 | 0 |
| COVID-19 Grant #2 | 386,640 | 0 | 0 | 0 | 0 | 0 |
| COVID-19 Grant #3 | 9,731 | 0 | 0 | 0 | 0 | 0 |
| COVID-19 Grant #4 | 2,288 | 0 | 0 | 0 | 0 | 0 |
| COVID-19 Grant A | 106,570 | 0 | 0 | 0 | 0 | 0 |
| COVID-19 Grant B | 24,450 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 14,549 | 0 | 0 | 0 | 0 | 0 |
| Total Federal Government | \$ 639,782 | \$ 65,102 | \$ 0 | \$ 0 | \$ 924,233 | \$ 0 |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contributions | \$ 1,200 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 623,223 |
| Contracted Services | 93,177 | 8,983 | 0 | 0 | 0 | 0 |
| <u>Citizens Groups</u> | | | | | | |
| Donations | 31,531 | 0 | 0 | 0 | 0 | 0 |
| <u>Other</u> | | | | | | |
| Other | 3,168 | 0 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | \$ 129,076 | \$ 8,983 | \$ 0 | \$ 0 | \$ 0 | \$ 623,223 |
| Total | \$ 14,830,769 | \$ 1,786,937 | \$ 13,213 | \$ 2,835 | \$ 5,423,924 | \$ 1,027,868 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service</u> | |
|--|--------------------------|----------------------|
| | <u>Fund</u> | |
| | Rural Debt Service | Total |
| <u>Local Taxes</u> | | |
| <u>County Property Taxes</u> | | |
| Current Property Tax | \$ 0 | \$ 6,865,358 |
| Trustee's Collections - Prior Year | 0 | 223,206 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 0 | 118,595 |
| Interest and Penalty | 0 | 97,628 |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 2,080 |
| Payments in-Lieu-of Taxes - Other | 0 | 9,052 |
| <u>County Local Option Taxes</u> | | |
| Local Option Sales Tax | 527,131 | 1,449,755 |
| Hotel/Motel Tax | 0 | 315,610 |
| Wheel Tax | 0 | 1,174,287 |
| Litigation Tax - General | 0 | 79,891 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 21,266 |
| Business Tax | 0 | 447,219 |
| Mixed Drink Tax | 0 | 32,268 |
| Mineral Severance Tax | 0 | 55,288 |
| <u>Statutory Local Taxes</u> | | |
| Bank Excise Tax | 0 | 173,215 |
| Wholesale Beer Tax | 0 | 266,316 |
| Other Statutory Local Taxes | 0 | 721 |
| Total Local Taxes | <u>\$ 527,131</u> | <u>\$ 11,331,755</u> |
| <u>Licenses and Permits</u> | | |
| <u>Licenses</u> | | |
| Marriage Licenses | \$ 0 | \$ 774 |
| Cable TV Franchise | 0 | 99,544 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service</u> | |
|--|--------------------------|-------------------|
| | <u>Fund</u> | |
| | Rural Debt Service | Total |
| <u>Licenses and Permits (Cont.)</u> | | |
| <u>Permits</u> | | |
| Beer Permits | \$ 0 | \$ 4,940 |
| Total Licenses and Permits | <u>\$ 0</u> | <u>\$ 105,258</u> |
| <u>Fines, Forfeitures, and Penalties</u> | | |
| <u>Circuit Court</u> | | |
| Fines | \$ 0 | \$ 1,140 |
| Officers Costs | 0 | 5,050 |
| Drug Control Fines | 0 | 6,869 |
| Drug Court Fees | 0 | 1,388 |
| DUI Treatment Fines | 0 | 522 |
| Data Entry Fee - Circuit Court | 0 | 1,284 |
| <u>General Sessions Court</u> | | |
| Fines | 0 | 18,515 |
| Officers Costs | 0 | 35,690 |
| Game and Fish Fines | 0 | 693 |
| Drug Control Fines | 0 | 6,779 |
| Drug Court Fees | 0 | 5,330 |
| Jail Fees | 0 | 2,266 |
| DUI Treatment Fines | 0 | 6,720 |
| Data Entry Fee - General Sessions Court | 0 | 8,006 |
| Courtroom Security Fee | 0 | 1,578 |
| <u>Juvenile Court</u> | | |
| Fines | 0 | 71 |
| <u>Chancery Court</u> | | |
| Data Entry Fee - Chancery Court | 0 | 4,964 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service</u> | |
|---|--------------------------|-------------------|
| | <u>Fund</u> | |
| | Rural Debt Service | Total |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | |
| <u>Other Fines, Forfeitures, and Penalties</u> | | |
| Proceeds from Confiscated Property | \$ 0 | \$ 2,457 |
| Total Fines, Forfeitures, and Penalties | <u>\$ 0</u> | <u>\$ 109,322</u> |
| <u>Charges for Current Services</u> | | |
| <u>General Service Charges</u> | | |
| Commercial and Industrial Waste Collection Charge | \$ 0 | \$ 360,170 |
| Surcharge - Waste Tire Disposal | 0 | 27,831 |
| Other General Service Charges | 0 | 3,602 |
| <u>Fees</u> | | |
| Library Fees | 0 | 5,485 |
| Greenbelt Late Application Fee | 0 | 100 |
| Telephone Commissions | 0 | 101,144 |
| Constitutional Officers' Fees and Commissions | 0 | 2,835 |
| Data Processing Fee - Register | 0 | 13,700 |
| Data Processing Fee - Sheriff | 0 | 2,213 |
| Sexual Offender Registration Fee - Sheriff | 0 | 3,600 |
| Data Processing Fee - County Clerk | 0 | 3,372 |
| Vehicle Registration Reinstatement Fees | 0 | 685 |
| Total Charges for Current Services | <u>\$ 0</u> | <u>\$ 524,737</u> |
| <u>Other Local Revenues</u> | | |
| <u>Recurring Items</u> | | |
| Investment Income | \$ 7,178 | \$ 88,985 |
| Lease/Rentals | 0 | 126,643 |
| E-Rate Funding | 0 | 702 |
| Miscellaneous Refunds | 0 | 132,813 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service</u> | |
|--|--------------------------|---------------------|
| | <u>Fund</u> | |
| | Rural Debt Service | Total |
| <u>Other Local Revenues (Cont.)</u> | | |
| <u>Nonrecurring Items</u> | | |
| Sale of Equipment | \$ 0 | \$ 67,161 |
| Sale of Property | 0 | 47,439 |
| Contributions and Gifts | 0 | 769 |
| <u>Other Local Revenues</u> | | |
| Other Local Revenues | 0 | 106,179 |
| Total Other Local Revenues | <u>\$ 7,178</u> | <u>\$ 570,691</u> |
| <u>Fees Received From County Officials</u> | | |
| <u>Fees In-Lieu-of Salary</u> | | |
| County Clerk | \$ 0 | \$ 436,299 |
| Circuit Court Clerk | 0 | 69,117 |
| General Sessions Court Clerk | 0 | 171,008 |
| Clerk and Master | 0 | 103,868 |
| Register | 0 | 195,881 |
| Sheriff | 0 | 13,058 |
| Trustee | 0 | 549,901 |
| Total Fees Received From County Officials | <u>\$ 0</u> | <u>\$ 1,539,132</u> |
| <u>State of Tennessee</u> | | |
| <u>General Government Grants</u> | | |
| Juvenile Services Program | \$ 0 | \$ 9,000 |
| Aging Programs | 0 | 32,754 |
| Solid Waste Grants | 0 | 38,952 |
| Other General Government Grants | 0 | 75,000 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service</u> | |
|--|--------------------------|---------------------|
| | <u>Fund</u> | |
| | Rural Debt Service | Total |
| <u>State of Tennessee (Cont.)</u> | | |
| <u>Public Safety Grants</u> | | |
| Law Enforcement Training Programs | \$ 0 | \$ 26,600 |
| Other Public Safety Grants | 0 | 3,200 |
| <u>Health and Welfare Grants</u> | | |
| Health Department Programs | 0 | 147,405 |
| Other Health and Welfare Grants | 0 | 10,000 |
| <u>Public Works Grants</u> | | |
| Bridge Program | 0 | 361,586 |
| State Aid Program | 0 | 226,630 |
| Litter Program | 0 | 39,827 |
| <u>Other State Revenues</u> | | |
| Income Tax | 0 | 42,115 |
| Resort District Sales Tax | 0 | 1,151,631 |
| Beer Tax | 0 | 18,369 |
| Vehicle Certificate of Title Fees | 0 | 4,881 |
| Alcoholic Beverage Tax | 0 | 92,478 |
| State Revenue Sharing - T.V.A. | 0 | 628,265 |
| State Revenue Sharing - Telecommunications | 0 | 45,448 |
| State Shared Sports Gaming Privilege Tax | 0 | 6,254 |
| Contracted Prisoner Boarding | 0 | 463,203 |
| Gasoline and Motor Fuel Tax | 0 | 2,594,404 |
| Petroleum Special Tax | 0 | 18,779 |
| Registrar's Salary Supplement | 0 | 15,164 |
| Other State Grants | 0 | 53,779 |
| Other State Revenues | 0 | 942,837 |
| Total State of Tennessee | <u>\$ 0</u> | <u>\$ 7,048,561</u> |

(Continued)

Exhibit K-5

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

| | <u>Debt Service</u> | |
|--|--------------------------|----------------------|
| | <u>Fund</u> | |
| | Rural Debt Service | Total |
| <u>Federal Government</u> | | |
| <u>Federal Through State</u> | | |
| Disaster Relief | \$ 0 | \$ 997,541 |
| Homeland Security Grants | 0 | 45,600 |
| COVID-19 Grant #1 | 0 | 41,748 |
| COVID-19 Grant #2 | 0 | 386,640 |
| COVID-19 Grant #3 | 0 | 9,731 |
| COVID-19 Grant #4 | 0 | 2,288 |
| COVID-19 Grant A | 0 | 106,570 |
| COVID-19 Grant B | 0 | 24,450 |
| Other Federal through State | 0 | 14,549 |
| Total Federal Government | <u>\$ 0</u> | <u>\$ 1,629,117</u> |
| <u>Other Governments and Citizens Groups</u> | | |
| <u>Other Governments</u> | | |
| Contributions | \$ 2,423,751 | \$ 3,048,174 |
| Contracted Services | 0 | 102,160 |
| <u>Citizens Groups</u> | | |
| Donations | 0 | 31,531 |
| <u>Other</u> | | |
| Other | 0 | 3,168 |
| Total Other Governments and Citizens Groups | <u>\$ 2,423,751</u> | <u>\$ 3,185,033</u> |
| Total | <u>\$ 2,958,060</u> | <u>\$ 26,043,606</u> |

Exhibit K-6

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

| | <u>Special Revenue Funds</u> | | | | |
|--|------------------------------|-------------------------------|----------------------|--------------------|----------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total |
| <u>Local Taxes</u> | | | | | |
| <u>County Property Taxes</u> | | | | | |
| Current Property Tax | \$ 7,842,772 | \$ 0 | \$ 0 | \$ 0 | \$ 7,842,772 |
| Trustee's Collections - Prior Year | 279,479 | 0 | 0 | 0 | 279,479 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 134,930 | 0 | 0 | 0 | 134,930 |
| Interest and Penalty | 109,789 | 0 | 0 | 0 | 109,789 |
| Payments in-Lieu-of Taxes - Local Utilities | 2,383 | 0 | 0 | 0 | 2,383 |
| Payments in-Lieu-of Taxes - Other | 10,372 | 0 | 0 | 0 | 10,372 |
| <u>County Local Option Taxes</u> | | | | | |
| Local Option Sales Tax | 6,016,943 | 0 | 0 | 0 | 6,016,943 |
| Mixed Drink Tax | 32,268 | 0 | 0 | 0 | 32,268 |
| Total Local Taxes | <u>\$ 14,428,936</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 14,428,936</u> |
| <u>Licenses and Permits</u> | | | | | |
| <u>Licenses</u> | | | | | |
| Marriage Licenses | \$ 774 | \$ 0 | \$ 0 | \$ 0 | \$ 774 |
| Total Licenses and Permits | <u>\$ 774</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 774</u> |
| <u>Charges for Current Services</u> | | | | | |
| <u>Education Charges</u> | | | | | |
| Lunch Payments - Adults | \$ 0 | \$ 0 | \$ 34,797 | \$ 0 | \$ 34,797 |
| A la Carte Sales | 0 | 0 | 49,283 | 0 | 49,283 |
| Receipts from Individual Schools | 8,603 | 0 | 0 | 0 | 8,603 |
| Other Charges for Services | 16,138 | 0 | 0 | 0 | 16,138 |
| Total Charges for Current Services | <u>\$ 24,741</u> | <u>\$ 0</u> | <u>\$ 84,080</u> | <u>\$ 0</u> | <u>\$ 108,821</u> |

(Continued)

Exhibit K-6

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

| | <u>Special Revenue Funds</u> | | | | |
|--|------------------------------|-------------------------------|----------------------|--------------------|--------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | \$ 29,469 | \$ 0 | \$ 4,747 | \$ 0 | \$ 34,216 |
| Miscellaneous Refunds | 1,148 | 0 | 15,045 | 0 | 16,193 |
| <u>Nonrecurring Items</u> | | | | | |
| Sale of Equipment | 396 | 0 | 0 | 0 | 396 |
| Contributions and Gifts | 3,750 | 0 | 5,500 | 0 | 9,250 |
| <u>Other Local Revenues</u> | | | | | |
| Other Local Revenues | 26,170 | 0 | 0 | 993,908 | 1,020,078 |
| Total Other Local Revenues | \$ 60,933 | \$ 0 | \$ 25,292 | \$ 993,908 | \$ 1,080,133 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| On-behalf Contributions for OPEB | \$ 149,100 | \$ 0 | \$ 0 | \$ 0 | \$ 149,100 |
| <u>State Education Funds</u> | | | | | |
| Basic Education Program | 16,718,959 | 0 | 0 | 0 | 16,718,959 |
| Early Childhood Education | 535,374 | 0 | 0 | 0 | 535,374 |
| School Food Service | 23,476 | 0 | 0 | 0 | 23,476 |
| Driver Education | 10,078 | 0 | 0 | 0 | 10,078 |
| Other State Education Funds | 420,074 | 0 | 0 | 0 | 420,074 |
| Coordinated School Health | 100,000 | 0 | 0 | 0 | 100,000 |
| Statewide Student Management System (SSMS) | 5,250 | 0 | 0 | 0 | 5,250 |
| Career Ladder Program | 85,848 | 0 | 0 | 0 | 85,848 |
| <u>Other State Revenues</u> | | | | | |
| State Revenue Sharing - T.V.A. | 467,500 | 0 | 0 | 0 | 467,500 |
| State Revenue Sharing - Telecommunications | 991 | 0 | 0 | 0 | 991 |

(Continued)

Exhibit K-6

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

| | <u>Special Revenue Funds</u> | | | | |
|--|------------------------------|-------------------------------|----------------------|--------------------|---------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Internal School | Total |
| <u>State of Tennessee (Cont.)</u> | | | | | |
| <u>Other State Revenues (Cont.)</u> | | | | | |
| Safe Schools | \$ 64,480 | \$ 0 | \$ 0 | \$ 0 | \$ 64,480 |
| Total State of Tennessee | \$ 18,581,130 | \$ 0 | \$ 0 | \$ 0 | \$ 18,581,130 |
| <u>Federal Government</u> | | | | | |
| <u>Federal Through State</u> | | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,402,495 | \$ 0 | \$ 1,402,495 |
| USDA - Commodities | 0 | 0 | 183,941 | 0 | 183,941 |
| Breakfast | 0 | 0 | 572,322 | 0 | 572,322 |
| USDA - Other | 0 | 0 | 99,424 | 0 | 99,424 |
| Vocational Education - Basic Grants to States | 0 | 79,271 | 0 | 0 | 79,271 |
| Title I Grants to Local Education Agencies | 0 | 1,207,192 | 0 | 0 | 1,207,192 |
| Special Education - Grants to States | 22,992 | 896,897 | 0 | 0 | 919,889 |
| Safe and Drug-free Schools - State Grants | 0 | 261,569 | 0 | 0 | 261,569 |
| Rural Education | 0 | 72,467 | 0 | 0 | 72,467 |
| Eisenhower Professional Development State Grants | 0 | 142,852 | 0 | 0 | 142,852 |
| COVID-19 Grant #1 | 0 | 1,012,278 | 0 | 0 | 1,012,278 |
| COVID-19 Grant #2 | 337,776 | 1,985,947 | 0 | 0 | 2,323,723 |
| COVID-19 Grant #3 | 0 | 60,000 | 0 | 0 | 60,000 |
| COVID-19 Grant #4 | 377,901 | 0 | 0 | 0 | 377,901 |
| COVID-19 Grant #5 | 7,749 | 0 | 0 | 0 | 7,749 |
| COVID-19 Grant A | 9,000 | 0 | 0 | 0 | 9,000 |
| Other Federal through State | 63,971 | 90,385 | 0 | 0 | 154,356 |
| Total Federal Government | \$ 819,389 | \$ 5,808,858 | \$ 2,258,182 | \$ 0 | \$ 8,886,429 |
| Total | \$ 33,915,903 | \$ 5,808,858 | \$ 2,367,554 | \$ 993,908 | \$ 43,086,223 |

Exhibit K-7

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

General Fund

General Government

County Commission

| | | | |
|----------------------------------|----|--------|-----------|
| Clerical Personnel | \$ | 8,999 | |
| Board and Committee Members Fees | | 34,500 | |
| Audit Services | | 10,410 | |
| Dues and Memberships | | 1,700 | |
| Operating Lease Payments | | 5,230 | |
| Travel | | 1,038 | |
| Other Charges | | 2,525 | |
| Total County Commission | | | \$ 64,402 |

Board of Equalization

| | | | |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 1,200 | |
| Total Board of Equalization | | | 1,200 |

Beer Board

| | | | |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 2,950 | |
| Office Supplies | | 294 | |
| Total Beer Board | | | 3,244 |

Other Boards and Committees

| | | | |
|-----------------------------------|----|-----|-----|
| Board and Committee Members Fees | \$ | 200 | |
| Total Other Boards and Committees | | | 200 |

County Mayor/Executive

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 93,170 | |
| Secretary(ies) | | 31,830 | |
| Clerical Personnel | | 5,506 | |
| Educational Incentive - Other County Employees | | 1,500 | |
| Other Fringe Benefits | | 6,000 | |
| Communication | | 4,857 | |
| Postal Charges | | 5,644 | |
| Travel | | 1,623 | |
| Other Contracted Services | | 366 | |
| Office Supplies | | 6,582 | |
| Office Equipment | | 205 | |
| Total County Mayor/Executive | | | 157,283 |

County Attorney

| | | | |
|-----------------------|----|-------|-------|
| Legal Services | \$ | 3,390 | |
| Total County Attorney | | | 3,390 |

Election Commission

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 72,602 | |
| Deputy(ies) | | 11,141 | |
| Part-time Personnel | | 6,667 | |
| Board and Committee Members Fees | | 3,000 | |
| Election Workers | | 28,485 | |
| In-service Training | | 704 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|---|----|--------|------------|
| Communication | \$ | 1,698 | |
| Data Processing Services | | 35,278 | |
| Legal Notices, Recording, and Court Costs | | 4,132 | |
| Postal Charges | | 3,154 | |
| Printing, Stationery, and Forms | | 14,749 | |
| Other Contracted Services | | 624 | |
| Office Supplies | | 9,987 | |
| Liability Insurance | | 2,807 | |
| Other Charges | | 11,949 | |
| Total Election Commission | | | \$ 206,977 |

Register of Deeds

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 80,668 | |
| Deputy(ies) | | 49,915 | |
| Communication | | 942 | |
| Contracts with Private Agencies | | 1,138 | |
| Data Processing Services | | 13,863 | |
| Travel | | 835 | |
| Other Contracted Services | | 1,842 | |
| Office Supplies | | 8,742 | |
| Office Equipment | | 500 | |
| Total Register of Deeds | | | 158,445 |

County Buildings

| | | | |
|---|----|---------|-----------|
| Custodial Personnel | \$ | 95,584 | |
| Communication | | 1,369 | |
| Maintenance and Repair Services - Buildings | | 33,449 | |
| Maintenance and Repair Services - Equipment | | 1,963 | |
| Maintenance and Repair Services - Vehicles | | 596 | |
| Pest Control | | 2,500 | |
| Other Contracted Services | | 13,642 | |
| Custodial Supplies | | 8,798 | |
| Food Supplies | | 2,104 | |
| Gasoline | | 1,525 | |
| Small Tools | | 500 | |
| Utilities | | 80,611 | |
| Other Supplies and Materials | | 5,412 | |
| Building and Contents Insurance | | 1,514 | |
| Liability Insurance | | 386,767 | |
| Premiums on Corporate Surety Bonds | | 3,920 | |
| Other Charges | | 57,953 | |
| Building Improvements | | 427,453 | |
| Maintenance Equipment | | 1,044 | |
| Other Capital Outlay | | 129,013 | |
| Total County Buildings | | | 1,255,717 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

| | | | |
|--|----|--------|---------|
| Accountants/Bookkeepers | \$ | 59,160 | |
| Clerical Personnel | | 56,664 | |
| Part-time Personnel | | 9,962 | |
| Educational Incentive - Other County Employees | | 4,375 | |
| In-service Training | | 200 | |
| Communication | | 1,776 | |
| Data Processing Services | | 22,114 | |
| Dues and Memberships | | 25 | |
| Printing, Stationery, and Forms | | 808 | |
| Other Contracted Services | | 122 | |
| Office Supplies | | 1,377 | |
| Total Accounting and Budgeting | \$ | | 156,583 |

Property Assessor's Office

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 80,668 | |
| Clerical Personnel | | 94,258 | |
| Communication | | 1,498 | |
| Contracts with Government Agencies | | 1,901 | |
| Data Processing Services | | 7,329 | |
| Postal Charges | | 1,170 | |
| Travel | | 504 | |
| Other Contracted Services | | 1,346 | |
| Office Supplies | | 4,218 | |
| Total Property Assessor's Office | | | 192,892 |

Reappraisal Program

| | | | |
|---------------------------------|----|--------|--------|
| Assessment Personnel | \$ | 15,173 | |
| Contracts with Private Agencies | | 19,000 | |
| Data Processing Services | | 5,212 | |
| Postal Charges | | 1,000 | |
| Travel | | 5,465 | |
| Office Supplies | | 1,926 | |
| Total Reappraisal Program | | | 47,776 |

County Trustee's Office

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 80,668 | |
| Deputy(ies) | | 21,026 | |
| Clerical Personnel | | 23,658 | |
| Part-time Personnel | | 14,461 | |
| Communication | | 897 | |
| Data Processing Services | | 30,611 | |
| Dues and Memberships | | 405 | |
| Postal Charges | | 6,995 | |
| Travel | | 777 | |
| Other Contracted Services | | 366 | |
| Office Supplies | | 1,874 | |
| Total County Trustee's Office | | | 181,738 |

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 80,668 | |
| Deputy(ies) | | 56,014 | |
| Clerical Personnel | | 94,163 | |
| Part-time Personnel | | 14,907 | |
| Educational Incentive - Other County Employees | | 2,625 | |
| In-service Training | | 300 | |
| Communication | | 3,628 | |
| Data Processing Services | | 28,409 | |
| Postal Charges | | 6,769 | |
| Travel | | 150 | |
| Other Contracted Services | | 1,222 | |
| Office Supplies | | 7,437 | |
| Office Equipment | | 412 | |
| Total County Clerk's Office | | | \$ 296,704 |

Administration of Justice

Circuit Court

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 80,668 | |
| Deputy(ies) | | 194,815 | |
| Jury and Witness Expense | | 1,721 | |
| Communication | | 2,468 | |
| Data Processing Services | | 25,781 | |
| Postal Charges | | 3,601 | |
| Travel | | 220 | |
| Other Contracted Services | | 3,136 | |
| Office Supplies | | 9,673 | |
| Other Charges | | 1,844 | |
| Total Circuit Court | | | 323,927 |

General Sessions Court

| | | | |
|------------------------------|----|---------|---------|
| Judge(s) | \$ | 124,494 | |
| Secretary(ies) | | 31,266 | |
| Communication | | 596 | |
| Travel | | 400 | |
| Other Contracted Services | | 3,891 | |
| Office Supplies | | 1,598 | |
| Office Equipment | | 486 | |
| Total General Sessions Court | | | 162,731 |

Drug Court

| | | | |
|---------------------------------|----|-------|-------|
| Remittance of Revenue Collected | \$ | 6,433 | |
| Total Drug Court | | | 6,433 |

Chancery Court

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 80,668 | |
| Deputy(ies) | | 22,440 | |
| Part-time Personnel | | 23,597 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

| | | | |
|--------------------------|----|--------|------------|
| Communication | \$ | 1,143 | |
| Data Processing Services | | 11,655 | |
| Maintenance Agreements | | 420 | |
| Postal Charges | | 400 | |
| Travel | | 1,079 | |
| Office Supplies | | 6,639 | |
| Total Chancery Court | | | \$ 148,041 |

Public Safety

Sheriff's Department

| | | | |
|---|----|---------|-----------|
| County Official/Administrative Officer | \$ | 75,136 | |
| Assistant(s) | | 27,484 | |
| Deputy(ies) | | 814,972 | |
| Salary Supplements | | 20,800 | |
| Secretary(ies) | | 26,685 | |
| Part-time Personnel | | 48,740 | |
| Other Salaries and Wages | | 40,176 | |
| In-service Training | | 9,950 | |
| Communication | | 15,102 | |
| Data Processing Services | | 20,681 | |
| Dues and Memberships | | 2,000 | |
| Maintenance and Repair Services - Equipment | | 1,311 | |
| Maintenance and Repair Services - Vehicles | | 53,009 | |
| Postal Charges | | 2,500 | |
| Travel | | 2,524 | |
| Other Contracted Services | | 102,000 | |
| Gasoline | | 73,412 | |
| Instructional Supplies and Materials | | 267 | |
| Law Enforcement Supplies | | 5,759 | |
| Office Supplies | | 6,076 | |
| Uniforms | | 12,767 | |
| Utilities | | 1,732 | |
| Other Charges | | 14,831 | |
| Communication Equipment | | 7,253 | |
| Law Enforcement Equipment | | 2,704 | |
| Motor Vehicles | | 62,000 | |
| Total Sheriff's Department | | | 1,449,871 |

Traffic Control

| | | | |
|-----------------------|----|--------|--------|
| Deputy(ies) | \$ | 13,180 | |
| Other Fringe Benefits | | 2,606 | |
| Total Traffic Control | | | 15,786 |

Administration of the Sexual Offender Registry

| | | | |
|--|----|----|-----|
| Office Supplies | \$ | 56 | |
| Uniforms | | 84 | |
| Total Administration of the Sexual Offender Registry | | | 140 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

| | | | |
|---|----|---------|--------------|
| Medical Personnel | \$ | 49,128 | |
| Guards | | 644,178 | |
| Attendants | | 961 | |
| Part-time Personnel | | 57,788 | |
| Other Salaries and Wages | | 27,908 | |
| Communication | | 13,535 | |
| Maintenance and Repair Services - Buildings | | 51,377 | |
| Maintenance and Repair Services - Equipment | | 10,635 | |
| Medical and Dental Services | | 57,883 | |
| Postal Charges | | 916 | |
| Other Contracted Services | | 43,748 | |
| Custodial Supplies | | 17,655 | |
| Food Preparation Supplies | | 6,842 | |
| Food Supplies | | 178,460 | |
| Office Supplies | | 3,768 | |
| Prisoners Clothing | | 4,360 | |
| Uniforms | | 5,417 | |
| Utilities | | 152,187 | |
| Other Supplies and Materials | | 38,523 | |
| Total Jail | | | \$ 1,365,269 |

Juvenile Services

| | | | |
|--------------------------|----|--------|---------|
| Probation Officer(s) | \$ | 29,336 | |
| Youth Service Officer(s) | | 51,900 | |
| Educational Assistants | | 33,913 | |
| In-service Training | | 150 | |
| Communication | | 2,864 | |
| Data Processing Services | | 4,300 | |
| Office Supplies | | 1,215 | |
| Total Juvenile Services | | | 123,678 |

Fire Prevention and Control

| | | | |
|---|----|---------|--|
| Assistant(s) | \$ | 5,324 | |
| Supervisor/Director | | 46,536 | |
| Mechanic(s) | | 125,780 | |
| Part-time Personnel | | 31,257 | |
| In-service Training | | 17,400 | |
| Advertising | | 1,000 | |
| Communication | | 8,958 | |
| Dues and Memberships | | 1,200 | |
| Maintenance and Repair Services - Buildings | | 15,000 | |
| Maintenance and Repair Services - Equipment | | 8,215 | |
| Maintenance and Repair Services - Vehicles | | 134,538 | |
| Travel | | 3,289 | |
| Remittance of Revenue Collected | | 39,866 | |
| Other Contracted Services | | 2,900 | |
| Drugs and Medical Supplies | | 999 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

| | | | |
|--------------------------------------|----|---------|---------|
| Gasoline | \$ | 30,498 | |
| Instructional Supplies and Materials | | 3,099 | |
| Office Supplies | | 1,696 | |
| Uniforms | | 7,685 | |
| Utilities | | 54,434 | |
| Other Supplies and Materials | | 2,458 | |
| Other Charges | | 800 | |
| Motor Vehicles | | 240,852 | |
| Site Development | | 3,600 | |
| Other Equipment | | 49,998 | |
| Total Fire Prevention and Control | \$ | | 837,382 |

Civil Defense

| | | | |
|--|----|--------|---------|
| Assistant(s) | \$ | 39,986 | |
| Supervisor/Director | | 7,325 | |
| Clerical Personnel | | 40,827 | |
| Educational Incentive - Other County Employees | | 1,875 | |
| Communication | | 300 | |
| Maintenance and Repair Services - Equipment | | 430 | |
| Travel | | 999 | |
| Equipment and Machinery Parts | | 235 | |
| Gasoline | | 567 | |
| Office Supplies | | 1,721 | |
| Other Supplies and Materials | | 9,261 | |
| Office Equipment | | 938 | |
| Other Equipment | | 19,921 | |
| Total Civil Defense | | | 124,385 |

Other Public Safety

| | | | |
|------------------------------------|----|---------|---------|
| Communication | \$ | 517 | |
| Contracts with Government Agencies | | 288,757 | |
| Office Supplies | | 252 | |
| Total Other Public Safety | | | 289,526 |

Public Health and Welfare

Local Health Center

| | | | |
|---|----|---------|---------|
| Medical Personnel | \$ | 103,816 | |
| Communication | | 2,496 | |
| Contracts with Government Agencies | | 33,240 | |
| Janitorial Services | | 5,700 | |
| Maintenance and Repair Services - Buildings | | 2,812 | |
| Postal Charges | | 350 | |
| Travel | | 400 | |
| Custodial Supplies | | 572 | |
| Drugs and Medical Supplies | | 1,110 | |
| Office Supplies | | 1,664 | |
| Utilities | | 10,348 | |
| Total Local Health Center | | | 162,508 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

| | | | |
|---|----|--------|------------|
| Assistant(s) | \$ | 45,375 | |
| Supervisor/Director | | 35,343 | |
| Part-time Personnel | | 95,584 | |
| Advertising | | 383 | |
| Communication | | 4,627 | |
| Maintenance and Repair Services - Buildings | | 5,499 | |
| Maintenance and Repair Services - Equipment | | 195 | |
| Maintenance and Repair Services - Vehicles | | 795 | |
| Other Contracted Services | | 45,099 | |
| Animal Food and Supplies | | 16,735 | |
| Custodial Supplies | | 8,057 | |
| Drugs and Medical Supplies | | 17,075 | |
| Gasoline | | 5,489 | |
| Office Supplies | | 3,491 | |
| Uniforms | | 1,464 | |
| Utilities | | 16,034 | |
| Other Supplies and Materials | | 4,919 | |
| Other Charges | | 7,926 | |
| Building Improvements | | 1,380 | |
| Office Equipment | | 2,994 | |
| Other Equipment | | 14,833 | |
| Total Rabies and Animal Control | | | \$ 333,297 |

Ambulance/Emergency Medical Services

| | | | |
|--|----|---------|---------|
| Other Contracted Services | \$ | 400 | |
| Utilities | | 2,549 | |
| Motor Vehicles | | 136,575 | |
| Total Ambulance/Emergency Medical Services | | | 139,524 |

Alcohol and Drug Programs

| | | | |
|---------------------------------|----|--------|--------|
| Guidance Personnel | \$ | 45,000 | |
| Other Supplies and Materials | | 1,354 | |
| Other Charges | | 803 | |
| Total Alcohol and Drug Programs | | | 47,157 |

Crippled Children Services

| | | | |
|----------------------------------|----|-------|-------|
| Contributions | \$ | 2,005 | |
| Total Crippled Children Services | | | 2,005 |

General Welfare Assistance

| | | | |
|----------------------------------|----|-------|-------|
| Contributions | \$ | 3,100 | |
| Total General Welfare Assistance | | | 3,100 |

Other Local Welfare Services

| | | | |
|------------------------------------|----|-------|--------|
| Supervisor/Director | \$ | 9,283 | |
| Social Security | | 567 | |
| Unemployment Compensation | | 17 | |
| Employer Medicare | | 133 | |
| Total Other Local Welfare Services | | | 10,000 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information

| | | | |
|---|----|--------|------------|
| Foremen | \$ | 43,252 | |
| Laborers | | 32,836 | |
| Maintenance and Repair Services - Equipment | | 2,578 | |
| Gasoline | | 3,000 | |
| Instructional Supplies and Materials | | 12,086 | |
| Other Supplies and Materials | | 16,949 | |
| Total Sanitation Education/Information | | | \$ 110,701 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

| | | | |
|---|----|--------|--------|
| Assistant(s) | \$ | 8,131 | |
| Supervisor/Director | | 24,103 | |
| Social Workers | | 2,341 | |
| Custodial Personnel | | 2,497 | |
| Part-time Personnel | | 7,362 | |
| Communication | | 3,725 | |
| Maintenance and Repair Services - Buildings | | 3,429 | |
| Maintenance and Repair Services - Vehicles | | 893 | |
| Postal Charges | | 100 | |
| Travel | | 887 | |
| Other Contracted Services | | 2,334 | |
| Gasoline | | 76 | |
| Office Supplies | | 972 | |
| Utilities | | 7,439 | |
| Other Supplies and Materials | | 45 | |
| Other Charges | | 907 | |
| Total Senior Citizens Assistance | | | 65,241 |

Libraries

| | | | |
|---|----|--------|---------|
| Assistant(s) | \$ | 29,379 | |
| Supervisor/Director | | 36,720 | |
| Librarians | | 77,632 | |
| Custodial Personnel | | 4,336 | |
| Part-time Personnel | | 18,634 | |
| Communication | | 2,911 | |
| Maintenance and Repair Services - Buildings | | 3,332 | |
| Other Contracted Services | | 3,235 | |
| Custodial Supplies | | 1,628 | |
| Office Supplies | | 17,358 | |
| Utilities | | 28,414 | |
| Other Charges | | 8,546 | |
| Total Libraries | | | 232,125 |

Other Social, Cultural, and Recreational

| | | | |
|--|----|--------|--------|
| Contracts with Government Agencies | \$ | 12,140 | |
| Contributions | | 17,500 | |
| Total Other Social, Cultural, and Recreational | | | 29,640 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

| | | | |
|--|----|--------|-----------|
| County Official/Administrative Officer | \$ | 18,592 | |
| Assistant(s) | | 12,148 | |
| Deputy(ies) | | 13,125 | |
| Secretary(ies) | | 6,893 | |
| Part-time Personnel | | 5,500 | |
| Longevity Pay | | 311 | |
| Social Security | | 3,334 | |
| Pensions | | 7,198 | |
| Medical Insurance | | 7,608 | |
| Unemployment Compensation | | 21 | |
| Employer Medicare | | 803 | |
| Other Fringe Benefits | | 72 | |
| Communication | | 900 | |
| Contracts with Private Agencies | | 1,051 | |
| Dues and Memberships | | 600 | |
| Other Contracted Services | | 246 | |
| Office Supplies | | 5,000 | |
| Total Agricultural Extension Service | | | \$ 83,402 |

Forest Service

| | | | |
|--------------------------|----|-------|-------|
| Forest Resource Services | \$ | 1,000 | |
| Total Forest Service | | | 1,000 |

Soil Conservation

| | | | |
|-------------------------|----|--------|--------|
| Contributions | \$ | 28,108 | |
| Total Soil Conservation | | | 28,108 |

Flood Control

| | | | |
|----------------------|----|--------|--------|
| Assessment Personnel | \$ | 1,533 | |
| Contributions | | 33,000 | |
| Office Supplies | | 3,734 | |
| Total Flood Control | | | 38,267 |

Other Agriculture and Natural Resources

| | | | |
|---|----|-----|-----|
| Utilities | \$ | 929 | |
| Total Other Agriculture and Natural Resources | | | 929 |

Other Operations

Tourism

| | | | |
|---------------|----|---------|---------|
| Contributions | \$ | 255,567 | |
| Total Tourism | | | 255,567 |

Tourism - Resort District

| | | | |
|---------------------------------|----|---------|---------|
| Contributions | \$ | 97,496 | |
| Remittance of Revenue Collected | | 891,313 | |
| Total Tourism - Resort District | | | 988,809 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

| | | | |
|------------------------------------|----|--------|-----------|
| Contracts with Government Agencies | \$ | 65,000 | |
| Dues and Memberships | | 12,506 | |
| Other Charges | | 1,935 | |
| Total Industrial Development | | | \$ 79,441 |

Other Economic and Community Development

| | | | |
|--|----|--------|--------|
| Contributions | \$ | 750 | |
| Other Charges | | 13,006 | |
| Total Other Economic and Community Development | | | 13,756 |

Airport

| | | | |
|---------------|----|--------|--------|
| Contributions | \$ | 35,000 | |
| Total Airport | | | 35,000 |

Veterans' Services

| | | | |
|--|----|--------|--------|
| Supervisor/Director | \$ | 29,434 | |
| Secretary(ies) | | 25,471 | |
| Educational Incentive - Other County Employees | | 1,500 | |
| Communication | | 1,744 | |
| Data Processing Services | | 1,063 | |
| Travel | | 307 | |
| Other Contracted Services | | 122 | |
| Office Supplies | | 1,234 | |
| Office Equipment | | 449 | |
| Total Veterans' Services | | | 61,324 |

Other Charges

| | | | |
|---------------------------------|----|---------|---------|
| Trustee's Commission | \$ | 157,183 | |
| Workers' Compensation Insurance | | 162,646 | |
| Other Self-insured Claims | | 8,528 | |
| Total Other Charges | | | 328,357 |

Contributions to Other Agencies

| | | | |
|---------------------------------------|----|--------|--------|
| Contributions | \$ | 23,500 | |
| Total Contributions to Other Agencies | | | 23,500 |

Employee Benefits

| | | | |
|---------------------------|----|---------|-----------|
| Social Security | \$ | 304,381 | |
| Pensions | | 295,734 | |
| Life Insurance | | 14,427 | |
| Medical Insurance | | 923,067 | |
| Dental Insurance | | 31,037 | |
| Unemployment Compensation | | 3,685 | |
| Employer Medicare | | 71,485 | |
| Total Employee Benefits | | | 1,643,816 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

COVID-19 Grant #1

| | | | |
|---------------------------------|----|--------|-----------|
| Part-time Personnel | \$ | 16,768 | |
| Communication | | 252 | |
| Postal Charges | | 798 | |
| Printing, Stationery, and Forms | | 20,376 | |
| Office Supplies | | 3,554 | |
| Total COVID-19 Grant #1 | | | \$ 41,748 |

COVID-19 Grant #2

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 13,599 | |
| Assistant(s) | | 7,873 | |
| Supervisor/Director | | 4,470 | |
| Deputy(ies) | | 147,378 | |
| Medical Personnel | | 8,950 | |
| Mechanic(s) | | 7,264 | |
| Guards | | 115,754 | |
| Secretary(ies) | | 4,830 | |
| Clerical Personnel | | 4,242 | |
| Part-time Personnel | | 20,781 | |
| Other Salaries and Wages | | 654 | |
| Other Charges | | 121,365 | |
| Total COVID-19 Grant #2 | | | 457,160 |

COVID-19 Grant #3

| | | | |
|------------------------------|----|-------|-------|
| Other Supplies and Materials | \$ | 15 | |
| Other Charges | | 9,716 | |
| Total COVID-19 Grant #3 | | | 9,731 |

COVID-19 Grant #4

| | | | |
|-------------------------|----|-------|-------|
| Other Charges | \$ | 2,288 | |
| Total COVID-19 Grant #4 | | | 2,288 |

COVID-19 Grant A

| | | | |
|------------------------|----|---------|---------|
| Other Charges | \$ | 142,093 | |
| Total COVID-19 Grant A | | | 142,093 |

COVID-19 Grant B

| | | | |
|------------------------|----|--------|--------|
| Other Charges | \$ | 22,744 | |
| Total COVID-19 Grant B | | | 22,744 |

Miscellaneous

| | | | |
|-----------------------------|----|-------|-------|
| Medical and Dental Services | \$ | 198 | |
| Other Charges | | 6,679 | |
| Total Miscellaneous | | | 6,877 |

Principal on Debt

General Government

| | | | |
|-----------------------------|----|--------|--------|
| Principal on Capital Leases | \$ | 90,323 | |
| Total General Government | | | 90,323 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Interest on Debt

General Government

| | | |
|----------------------------|-----------|-----------|
| Interest on Capital Leases | \$ 17,875 | |
| Total General Government | | \$ 17,875 |

Total General Fund \$ 13,081,133

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

| | | |
|--|-----------|------------|
| Supervisor/Director | \$ 62,859 | |
| Secretary(ies) | 23,615 | |
| Educational Incentive - Other County Employees | 3,000 | |
| Board and Committee Members Fees | 150 | |
| In-service Training | 225 | |
| Communication | 2,783 | |
| Maintenance and Repair Services - Equipment | 654 | |
| Travel | 1,199 | |
| Office Supplies | 5,613 | |
| Other Charges | 38,952 | |
| Office Equipment | 731 | |
| Total Sanitation Management | | \$ 139,781 |

Waste Pickup

| | | |
|---|-----------|---------|
| Mechanic(s) | \$ 48,843 | |
| Truck Drivers | 203,404 | |
| Maintenance and Repair Services - Equipment | 148,918 | |
| Other Contracted Services | 3,583 | |
| Gasoline | 86,893 | |
| Small Tools | 1,344 | |
| Tires and Tubes | 24,625 | |
| Other Supplies and Materials | 4,503 | |
| Motor Vehicles | 235,000 | |
| Total Waste Pickup | | 757,113 |

Convenience Centers

| | | |
|---|------------|---------|
| Laborers | \$ 247,135 | |
| Advertising | 500 | |
| Communication | 12,628 | |
| Maintenance and Repair Services - Buildings | 23,965 | |
| Disposal Fees | 21,104 | |
| Utilities | 19,236 | |
| Other Supplies and Materials | 14,753 | |
| Other Charges | 242 | |
| Total Convenience Centers | | 339,563 |

Landfill Operation and Maintenance

| | | |
|--|------------|---------|
| Disposal Fees | \$ 394,618 | |
| Other Contracted Services | 14,568 | |
| Site Development | 3,466 | |
| Total Landfill Operation and Maintenance | | 412,652 |

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Other Charges

| | | | |
|---------------------------------|----|--------|-----------|
| Trustee's Commission | \$ | 18,469 | |
| Workers' Compensation Insurance | | 52,750 | |
| Total Other Charges | | | \$ 71,219 |

Employee Benefits

| | | | |
|---------------------------|----|--------|---------|
| Social Security | \$ | 36,100 | |
| Pensions | | 19,028 | |
| Life Insurance | | 800 | |
| Medical Insurance | | 51,531 | |
| Dental Insurance | | 1,649 | |
| Unemployment Compensation | | 759 | |
| Employer Medicare | | 8,443 | |
| Total Employee Benefits | | | 118,310 |

Total Solid Waste/Sanitation Fund \$ 1,838,638

Drug Control Fund

Public Safety

Drug Enforcement

| | | | |
|--|----|--------|-----------|
| Investigator(s) | \$ | 38,478 | |
| Salary Supplements | | 5,800 | |
| Confidential Drug Enforcement Payments | | 200 | |
| Travel | | 137 | |
| Office Supplies | | 499 | |
| Law Enforcement Equipment | | 1,491 | |
| Total Drug Enforcement | | | \$ 46,605 |

Other Operations

Other Charges

| | | | |
|---------------------------------|----|-------|-------|
| Workers' Compensation Insurance | \$ | 1,857 | |
| Total Other Charges | | | 1,857 |

Employee Benefits

| | | | |
|---------------------------|----|-------|--------|
| Social Security | \$ | 2,704 | |
| Pensions | | 2,681 | |
| Life Insurance | | 92 | |
| Medical Insurance | | 7,024 | |
| Dental Insurance | | 264 | |
| Unemployment Compensation | | 21 | |
| Employer Medicare | | 633 | |
| Total Employee Benefits | | | 13,419 |

Total Drug Control Fund 61,881

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

| | | |
|---|----------|----------|
| Constitutional Officers' Operating Expenses | \$ 2,835 | |
| Total Chancery Court | | \$ 2,835 |

Total Constitutional Officers - Fees Fund \$ 2,835

Highway/Public Works Fund

Highways

Administration

| | | |
|---|-----------|------------|
| County Official/Administrative Officer | \$ 88,735 | |
| Assistant(s) | 59,983 | |
| Secretary to Board | 1,696 | |
| Accountants/Bookkeepers | 101,209 | |
| Board and Committee Members Fees | 4,125 | |
| Communication | 17,565 | |
| Data Processing Services | 14,484 | |
| Dues and Memberships | 3,626 | |
| Legal Notices, Recording, and Court Costs | 18 | |
| Postal Charges | 580 | |
| Printing, Stationery, and Forms | 569 | |
| Electricity | 10,342 | |
| Natural Gas | 2,583 | |
| Office Supplies | 4,755 | |
| Uniforms | 5,769 | |
| Water and Sewer | 2,455 | |
| Other Charges | 6,237 | |
| Total Administration | | \$ 324,731 |

Highway and Bridge Maintenance

| | | |
|--------------------------------------|------------|-----------|
| Laborers | \$ 704,231 | |
| Engineering Services | 38,572 | |
| Other Contracted Services | 19,626 | |
| Asphalt - Cold Mix | 42,141 | |
| Asphalt - Hot Mix | 217,727 | |
| Concrete | 17 | |
| Crushed Stone | 244,612 | |
| Office Supplies | 1,478 | |
| Pipe | 43,272 | |
| Road Signs | 14,711 | |
| Gravel and Chert | 23,371 | |
| Other Charges | 980 | |
| Total Highway and Bridge Maintenance | | 1,350,738 |

Operation and Maintenance of Equipment

| | | |
|---|-----------|--|
| Mechanic(s) | \$ 40,211 | |
| Laborers | 21,705 | |
| Maintenance Personnel | 47,461 | |
| Maintenance and Repair Services - Equipment | 20,293 | |

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

| | | | |
|--|----|---------|------------|
| Maintenance and Repair Services - Vehicles | \$ | 11,688 | |
| Diesel Fuel | | 87,920 | |
| Equipment and Machinery Parts | | 129,701 | |
| Garage Supplies | | 9,906 | |
| Gasoline | | 20,808 | |
| Lubricants | | 260 | |
| Small Tools | | 1,261 | |
| Tires and Tubes | | 30,239 | |
| Other Supplies and Materials | | 1,517 | |
| Total Operation and Maintenance of Equipment | | | \$ 422,970 |

Other Charges

| | | | |
|---------------------------------|----|---------|---------|
| Liability Insurance | \$ | 45,178 | |
| Trustee's Commission | | 43,096 | |
| Workers' Compensation Insurance | | 118,291 | |
| Total Other Charges | | | 206,565 |

Employee Benefits

| | | | |
|---------------------------|----|---------|---------|
| Social Security | \$ | 82,395 | |
| Pensions | | 74,111 | |
| Life Insurance | | 2,980 | |
| Medical Insurance | | 213,621 | |
| Dental Insurance | | 7,075 | |
| Unemployment Compensation | | 5,989 | |
| Total Employee Benefits | | | 386,171 |

Capital Outlay

| | | | |
|---|----|---------|-----------|
| Maintenance and Repair Services - Buildings | \$ | 1,833 | |
| Bridge Construction | | 341,839 | |
| Building Improvements | | 4,444 | |
| Data Processing Equipment | | 445 | |
| Highway Equipment | | 12,152 | |
| Motor Vehicles | | 123,110 | |
| State Aid Projects | | 226,630 | |
| Other Construction | | 311,711 | |
| Total Capital Outlay | | | 1,022,164 |

Principal on Debt

Highways and Streets

| | | | |
|-----------------------------|----|--------|--------|
| Principal on Capital Leases | \$ | 90,656 | |
| Total Highways and Streets | | | 90,656 |

Interest on Debt

Highways and Streets

| | | | |
|----------------------------|----|-------|-------|
| Interest on Capital Leases | \$ | 4,024 | |
| Total Highways and Streets | | | 4,024 |

Total Highway/Public Works Fund \$ 3,808,019

(Continued)

Exhibit K-7

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

| | | |
|----------------------------------|--------------|--------------|
| <u>General Debt Service Fund</u> | | |
| <u>Principal on Debt</u> | | |
| <u>General Government</u> | | |
| Principal on Bonds | \$ 355,000 | |
| Principal on Notes | 229,487 | |
| Principal on Capital Leases | 54,994 | |
| Principal on Other Loans | 310,000 | |
| Total General Government | | \$ 949,481 |
| | | |
| <u>Highways and Streets</u> | | |
| Principal on Bonds | \$ 180,000 | |
| Total Highways and Streets | | 180,000 |
| | | |
| <u>Education</u> | | |
| Principal on Capital Leases | \$ 131,900 | |
| Principal on Other Loans | 107,976 | |
| Total Education | | 239,876 |
| | | |
| <u>Interest on Debt</u> | | |
| <u>General Government</u> | | |
| Interest on Bonds | \$ 163,100 | |
| Interest on Notes | 9,066 | |
| Interest on Capital Leases | 1,771 | |
| Interest on Other Loans | 9,287 | |
| Total General Government | | 183,224 |
| | | |
| <u>Highways and Streets</u> | | |
| Interest on Bonds | \$ 26,400 | |
| Total Highways and Streets | | 26,400 |
| | | |
| <u>Education</u> | | |
| Interest on Capital Leases | \$ 26,974 | |
| Interest on Other Loans | 9,720 | |
| Total Education | | 36,694 |
| | | |
| <u>Other Debt Service</u> | | |
| <u>General Government</u> | | |
| Trustee's Commission | \$ 5,246 | |
| Other Debt Service | 30,866 | |
| Total General Government | | 36,112 |
| | | |
| Total General Debt Service Fund | | \$ 1,651,787 |
| | | |
| <u>Rural Debt Service Fund</u> | | |
| <u>Principal on Debt</u> | | |
| <u>Education</u> | | |
| Principal on Bonds | \$ 1,420,000 | |
| Total Education | | \$ 1,420,000 |

(Continued)

Exhibit K-7

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

| | | |
|---|--------------|---------------------------------|
| <u>Rural Debt Service Fund (Cont.)</u> | | |
| <u>Interest on Debt</u> | | |
| <u>Education</u> | | |
| Interest on Bonds | \$ 1,016,025 | |
| Total Education | | \$ 1,016,025 |
| <u>Other Debt Service</u> | | |
| <u>Education</u> | | |
| Trustee's Commission | \$ 5,139 | |
| Other Debt Service | 500 | |
| Total Education | | <u>5,639</u> |
| Total Rural Debt Service Fund | | <u>\$ 2,441,664</u> |
| Total Governmental Funds - Primary Government | | <u><u>\$ 22,885,957</u></u> |

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

| | | | |
|---|----|-----------|---------------|
| Teachers | \$ | 8,346,169 | |
| Career Ladder Program | | 39,229 | |
| Career Ladder Extended Contracts | | 38,274 | |
| Educational Assistants | | 220,781 | |
| Bonus Payments | | 619,293 | |
| Other Salaries and Wages | | 48,088 | |
| Certified Substitute Teachers | | 93,574 | |
| Social Security | | 548,846 | |
| Pensions | | 867,370 | |
| Medical Insurance | | 1,802,800 | |
| Dental Insurance | | 64,287 | |
| Employer Medicare | | 128,529 | |
| Maintenance and Repair Services - Equipment | | 3,939 | |
| Instructional Supplies and Materials | | 95,589 | |
| Textbooks - Bound | | 635,628 | |
| Software | | 22,790 | |
| Other Supplies and Materials | | 4,353 | |
| Fee Waivers | | 20,002 | |
| Other Charges | | 720 | |
| Total Regular Instruction Program | | | \$ 13,600,261 |

Alternative Instruction Program

| | | | |
|---------------------------------------|----|---------|---------|
| Teachers | \$ | 158,249 | |
| Career Ladder Program | | 2,000 | |
| Certified Substitute Teachers | | 55 | |
| Social Security | | 6,195 | |
| Pensions | | 16,458 | |
| Medical Insurance | | 27,079 | |
| Dental Insurance | | 1,002 | |
| Employer Medicare | | 1,450 | |
| Instructional Supplies and Materials | | 697 | |
| Total Alternative Instruction Program | | | 213,185 |

Special Education Program

| | | | |
|---|----|---------|--|
| Teachers | \$ | 900,937 | |
| Career Ladder Program | | 1,410 | |
| Homebound Teachers | | 42,165 | |
| Educational Assistants | | 56,420 | |
| Speech Pathologist | | 66,958 | |
| Certified Substitute Teachers | | 8,002 | |
| Social Security | | 63,073 | |
| Pensions | | 101,845 | |
| Medical Insurance | | 230,227 | |
| Dental Insurance | | 8,794 | |
| Employer Medicare | | 14,754 | |
| Maintenance and Repair Services - Equipment | | 336 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|--------------------------------------|----|--------|--------------|
| Instructional Supplies and Materials | \$ | 9,394 | |
| Other Charges | | 14,435 | |
| Total Special Education Program | | | \$ 1,518,750 |

Career and Technical Education Program

| | | | |
|--|----|---------|-----------|
| Teachers | \$ | 747,099 | |
| Career Ladder Program | | 990 | |
| Certified Substitute Teachers | | 5,802 | |
| Social Security | | 44,109 | |
| Pensions | | 69,608 | |
| Medical Insurance | | 147,227 | |
| Dental Insurance | | 5,677 | |
| Employer Medicare | | 10,332 | |
| Contracts with Other School Systems | | 55,110 | |
| Contracts with Private Agencies | | 10,000 | |
| Instructional Supplies and Materials | | 27,699 | |
| Vocational Instruction Equipment | | 400 | |
| Total Career and Technical Education Program | | | 1,124,053 |

COVID-19 Expenditures

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 92,603 | |
| Educational Assistants | | 17,865 | |
| Other Salaries and Wages | | 9,000 | |
| Social Security | | 6,849 | |
| Pensions | | 10,761 | |
| Employer Medicare | | 1,602 | |
| Instructional Supplies and Materials | | 15,767 | |
| Regular Instruction Equipment | | 310,419 | |
| Total COVID-19 Expenditures | | | 464,866 |

Support Services

Attendance

| | | | |
|------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 81,813 | |
| Clerical Personnel | | 65,717 | |
| Social Security | | 8,873 | |
| Pensions | | 12,743 | |
| Medical Insurance | | 40,915 | |
| Dental Insurance | | 1,753 | |
| Employer Medicare | | 2,075 | |
| Other Supplies and Materials | | 1,589 | |
| In Service/Staff Development | | 925 | |
| Total Attendance | | | 216,403 |

Health Services

| | | | |
|---------------------|----|---------|--|
| Supervisor/Director | \$ | 52,237 | |
| Medical Personnel | | 234,627 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

| | | | |
|------------------------------|----|--------|------------|
| Other Salaries and Wages | \$ | 11,452 | |
| Social Security | | 17,311 | |
| Pensions | | 22,237 | |
| Medical Insurance | | 67,932 | |
| Dental Insurance | | 3,006 | |
| Employer Medicare | | 4,049 | |
| Travel | | 443 | |
| Drugs and Medical Supplies | | 2,567 | |
| Other Supplies and Materials | | 11,471 | |
| In Service/Staff Development | | 279 | |
| Other Charges | | 180 | |
| Total Health Services | | | \$ 427,791 |

Other Student Support

| | | | |
|------------------------------------|----|---------|---------|
| Career Ladder Program | \$ | 2,980 | |
| Guidance Personnel | | 570,189 | |
| Attendants | | 26,778 | |
| Social Security | | 35,032 | |
| Pensions | | 55,624 | |
| Medical Insurance | | 113,639 | |
| Dental Insurance | | 3,952 | |
| Employer Medicare | | 8,193 | |
| Communication | | 4,856 | |
| Contracts with Government Agencies | | 44,780 | |
| Evaluation and Testing | | 3,840 | |
| Operating Lease Payments | | 182 | |
| Travel | | 3,471 | |
| Other Contracted Services | | 44,876 | |
| Other Supplies and Materials | | 9,604 | |
| Total Other Student Support | | | 927,996 |

Regular Instruction Program

| | | | |
|--------------------------|----|---------|--|
| Supervisor/Director | \$ | 87,734 | |
| Career Ladder Program | | 7,146 | |
| Librarians | | 333,111 | |
| Clerical Personnel | | 26,548 | |
| Educational Assistants | | 19,424 | |
| Other Salaries and Wages | | 73,371 | |
| Social Security | | 32,803 | |
| Pensions | | 53,346 | |
| Medical Insurance | | 90,502 | |
| Dental Insurance | | 3,646 | |
| Employer Medicare | | 7,672 | |
| Operating Lease Payments | | 23,291 | |
| Travel | | 4,358 | |
| Library Books/Media | | 35,208 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

| | | | |
|-----------------------------------|----|--------|------------|
| Software | \$ | 16,016 | |
| Other Supplies and Materials | | 5,175 | |
| In Service/Staff Development | | 8,407 | |
| Total Regular Instruction Program | | | \$ 827,758 |

Alternative Instruction Program

| | | | |
|---------------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 70,520 | |
| Social Security | | 4,153 | |
| Pensions | | 7,242 | |
| Medical Insurance | | 8,627 | |
| Dental Insurance | | 334 | |
| Employer Medicare | | 971 | |
| Operating Lease Payments | | 1,002 | |
| Other Supplies and Materials | | 62 | |
| Total Alternative Instruction Program | | | 92,911 |

Special Education Program

| | | | |
|---------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 73,919 | |
| Career Ladder Program | | 1,000 | |
| Assessment Personnel | | 47,672 | |
| Other Salaries and Wages | | 49,158 | |
| Social Security | | 9,634 | |
| Pensions | | 16,080 | |
| Medical Insurance | | 32,078 | |
| Dental Insurance | | 1,002 | |
| Employer Medicare | | 2,253 | |
| Contracts with Private Agencies | | 4,806 | |
| Travel | | 772 | |
| Other Contracted Services | | 50,561 | |
| Other Supplies and Materials | | 5,120 | |
| In Service/Staff Development | | 2,490 | |
| Total Special Education Program | | | 296,545 |

Career and Technical Education Program

| | | | |
|--|----|--------|---------|
| Supervisor/Director | \$ | 66,922 | |
| Secretary(ies) | | 13,103 | |
| Social Security | | 4,543 | |
| Pensions | | 7,790 | |
| Medical Insurance | | 20,674 | |
| Dental Insurance | | 668 | |
| Employer Medicare | | 1,063 | |
| Travel | | 416 | |
| Other Supplies and Materials | | 355 | |
| In Service/Staff Development | | 210 | |
| Total Career and Technical Education Program | | | 115,744 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

| | | | |
|------------------------------|----|--------|------------|
| Supervisor/Director | \$ | 80,485 | |
| Career Ladder Program | | 1,000 | |
| Data Processing Personnel | | 99,996 | |
| Social Security | | 11,162 | |
| Pensions | | 15,368 | |
| Medical Insurance | | 37,524 | |
| Dental Insurance | | 1,670 | |
| Employer Medicare | | 2,610 | |
| Internet Connectivity | | 27,091 | |
| Other Contracted Services | | 20,282 | |
| Software | | 19,780 | |
| Other Supplies and Materials | | 1,636 | |
| Other Charges | | 508 | |
| Other Equipment | | 15,916 | |
| Total Technology | | | \$ 335,028 |

Board of Education

| | | | |
|--|----|---------|---------|
| Board and Committee Members Fees | \$ | 9,221 | |
| Dental Insurance | | 2,839 | |
| Unemployment Compensation | | 5,286 | |
| On-behalf Payments to OPEB | | 149,100 | |
| Other Fringe Benefits | | 121,919 | |
| Audit Services | | 17,000 | |
| Dues and Memberships | | 9,451 | |
| Legal Services | | 5,324 | |
| Other Contracted Services | | 3,500 | |
| Other Supplies and Materials | | 3,928 | |
| Liability Insurance | | 66,705 | |
| Trustee's Commission | | 275,321 | |
| Workers' Compensation Insurance | | 115,407 | |
| In Service/Staff Development | | 75 | |
| Criminal Investigation of Applicants - TBI | | 6,678 | |
| Other Charges | | 210 | |
| Total Board of Education | | | 791,964 |

Director of Schools

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 99,480 | |
| Career Ladder Program | | 1,000 | |
| Secretary(ies) | | 26,316 | |
| Clerical Personnel | | 27,326 | |
| Social Security | | 9,451 | |
| Pensions | | 14,074 | |
| Medical Insurance | | 23,831 | |
| Dental Insurance | | 1,002 | |
| Employer Medicare | | 2,210 | |
| Communication | | 57,702 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

| | | | |
|---|----|-------|------------|
| Dues and Memberships | \$ | 2,470 | |
| Operating Lease Payments | | 2,291 | |
| Maintenance and Repair Services - Equipment | | 44 | |
| Postal Charges | | 2,964 | |
| Travel | | 1,797 | |
| Office Supplies | | 2,720 | |
| Other Supplies and Materials | | 2,006 | |
| Other Charges | | 52 | |
| Total Director of Schools | | | \$ 276,736 |

Office of the Principal

| | | | |
|-------------------------------|----|---------|-----------|
| Principals | \$ | 468,888 | |
| Career Ladder Program | | 3,083 | |
| Accountants/Bookkeepers | | 104,665 | |
| Assistant Principals | | 425,725 | |
| Secretary(ies) | | 61,847 | |
| Clerical Personnel | | 16,066 | |
| Social Security | | 63,464 | |
| Pensions | | 104,537 | |
| Medical Insurance | | 227,469 | |
| Dental Insurance | | 8,627 | |
| Employer Medicare | | 14,843 | |
| Dues and Memberships | | 2,500 | |
| Operating Lease Payments | | 14,243 | |
| Other Contracted Services | | 4,711 | |
| Other Supplies and Materials | | 4,968 | |
| Total Office of the Principal | | | 1,525,636 |

Fiscal Services

| | | | |
|---|----|--------|---------|
| Supervisor/Director | \$ | 85,000 | |
| Accountants/Bookkeepers | | 52,572 | |
| Clerical Personnel | | 30,881 | |
| Social Security | | 10,395 | |
| Pensions | | 11,792 | |
| Medical Insurance | | 22,806 | |
| Dental Insurance | | 1,002 | |
| Employer Medicare | | 2,431 | |
| Data Processing Services | | 18,030 | |
| Maintenance and Repair Services - Equipment | | 2,143 | |
| Data Processing Supplies | | 119 | |
| Office Supplies | | 1,140 | |
| Other Supplies and Materials | | 292 | |
| In Service/Staff Development | | 2,434 | |
| Administration Equipment | | 300 | |
| Total Fiscal Services | | | 241,337 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

| | | | |
|---------------------------------|----|---------|--------------|
| Supervisor/Director | \$ | 38,090 | |
| Social Security | | 2,129 | |
| Pensions | | 3,912 | |
| Medical Insurance | | 13,072 | |
| Dental Insurance | | 334 | |
| Employer Medicare | | 498 | |
| Janitorial Services | | 849,157 | |
| Disposal Fees | | 19,555 | |
| Other Contracted Services | | 26,180 | |
| Electricity | | 789,166 | |
| Natural Gas | | 99,190 | |
| Water and Sewer | | 54,423 | |
| Other Supplies and Materials | | 68,150 | |
| Boiler Insurance | | 4,015 | |
| Building and Contents Insurance | | 156,136 | |
| Other Charges | | 2,066 | |
| Plant Operation Equipment | | 25,429 | |
| Total Operation of Plant | | | \$ 2,151,502 |

Maintenance of Plant

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 68,563 | |
| Maintenance Personnel | | 305,075 | |
| Social Security | | 21,744 | |
| Pensions | | 26,597 | |
| Medical Insurance | | 74,077 | |
| Dental Insurance | | 3,006 | |
| Employer Medicare | | 5,275 | |
| Laundry Service | | 2,777 | |
| Maintenance and Repair Services - Buildings | | 165,160 | |
| Maintenance and Repair Services - Equipment | | 72,898 | |
| Equipment and Machinery Parts | | 65,974 | |
| Gasoline | | 10,844 | |
| General Construction Materials | | 33,466 | |
| Other Supplies and Materials | | 6,465 | |
| Administration Equipment | | 39,866 | |
| Total Maintenance of Plant | | | 901,787 |

Transportation

| | | | |
|-------------------------------------|----|-----------|--|
| Supervisor/Director | \$ | 38,090 | |
| Clerical Personnel | | 10,493 | |
| Social Security | | 2,129 | |
| Pensions | | 3,912 | |
| Employer Medicare | | 642 | |
| Contracts with Other School Systems | | 21,834 | |
| Contracts with Private Agencies | | 1,708,595 | |
| Contracts with Parents | | 2,872 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

| | | | |
|--|----|--------|--------------|
| Maintenance and Repair Services - Vehicles | \$ | 801 | |
| Medical and Dental Services | | 176 | |
| Diesel Fuel | | 2,931 | |
| Lubricants | | 465 | |
| Tires and Tubes | | 1,476 | |
| Vehicle Parts | | 2,781 | |
| Vehicle and Equipment Insurance | | 39,034 | |
| Other Charges | | 1,167 | |
| Total Transportation | | | \$ 1,837,398 |

COVID-19 Expenditures

| | | | |
|---------------------------------|----|---------|---------|
| Medical Personnel | \$ | 8,385 | |
| Secretary(ies) | | 2,100 | |
| Clerical Personnel | | 1,470 | |
| Social Security | | 741 | |
| Pensions | | 837 | |
| Unemployment Compensation | | 7,749 | |
| Employer Medicare | | 172 | |
| Contracts with Private Agencies | | 52,379 | |
| Other Charges | | 337,776 | |
| Other Equipment | | 67,482 | |
| Total COVID-19 Expenditures | | | 479,091 |

Operation of Non-Instructional Services

Food Service

| | | | |
|------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 74,562 | |
| Career Ladder Program | | 3,000 | |
| Other Salaries and Wages | | 613 | |
| Social Security | | 4,542 | |
| Pensions | | 7,889 | |
| Medical Insurance | | 98,298 | |
| Employer Medicare | | 1,062 | |
| Other Supplies and Materials | | 300 | |
| Total Food Service | | | 190,266 |

Early Childhood Education

| | | | |
|-------------------------------|----|---------|--|
| Supervisor/Director | \$ | 1,500 | |
| Teachers | | 272,782 | |
| Career Ladder Program | | 1,000 | |
| Educational Assistants | | 94,287 | |
| Certified Substitute Teachers | | 468 | |
| Social Security | | 21,308 | |
| Pensions | | 32,607 | |
| Medical Insurance | | 100,771 | |
| Dental Insurance | | 4,008 | |
| Employer Medicare | | 4,990 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Travel | \$ | 198 | |
| Instructional Supplies and Materials | | 10,685 | |
| Other Supplies and Materials | | 1,896 | |
| In Service/Staff Development | | 645 | |
| Total Early Childhood Education | | | \$ 547,145 |

COVID-19 Expenditures

| | | | |
|-----------------------------|----|-------|-------|
| Other Salaries and Wages | \$ | 3,000 | |
| Social Security | | 186 | |
| Pensions | | 210 | |
| Employer Medicare | | 44 | |
| Total COVID-19 Expenditures | | | 3,440 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|-----------|-----------|
| Building Improvements | \$ | 1,332,536 | |
| Total Regular Capital Outlay | | | 1,332,536 |

Other Debt Service

Education

| | | | |
|---|----|-----------|-----------|
| Debt Service Contribution to Primary Government | \$ | 2,393,477 | |
| Total Education | | | 2,393,477 |

Total General Purpose School Fund \$ 32,833,606

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|---------|------------|
| Teachers | \$ | 436,985 | |
| Educational Assistants | | 104,130 | |
| Certified Substitute Teachers | | 7,945 | |
| Social Security | | 32,381 | |
| Pensions | | 51,769 | |
| Medical Insurance | | 148,928 | |
| Dental Insurance | | 5,983 | |
| Employer Medicare | | 7,583 | |
| Other Contracted Services | | 55,521 | |
| Instructional Supplies and Materials | | 23,992 | |
| Regular Instruction Equipment | | 37,072 | |
| Total Regular Instruction Program | | | \$ 912,289 |

Special Education Program

| | | | |
|--------------------------|----|---------|--|
| Teachers | \$ | 3,780 | |
| Educational Assistants | | 205,394 | |
| Speech Pathologist | | 56,684 | |
| Other Salaries and Wages | | 11,032 | |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|--------------------------------------|----|---------|------------|
| Social Security | \$ | 16,072 | |
| Pensions | | 19,543 | |
| Medical Insurance | | 148,289 | |
| Dental Insurance | | 6,512 | |
| Employer Medicare | | 3,760 | |
| Instructional Supplies and Materials | | 44 | |
| Total Special Education Program | | | \$ 471,110 |

Career and Technical Education Program

| | | | |
|--|----|--------|--------|
| Maintenance and Repair Services - Equipment | \$ | 238 | |
| Other Contracted Services | | 2,000 | |
| Instructional Supplies and Materials | | 5,533 | |
| Other Supplies and Materials | | 2,249 | |
| Vocational Instruction Equipment | | 57,877 | |
| Total Career and Technical Education Program | | | 67,897 |

COVID-19 Expenditures

| | | | |
|--------------------------------------|----|-----------|-----------|
| Teachers | \$ | 54,674 | |
| Educational Assistants | | 5,996 | |
| Other Salaries and Wages | | 640 | |
| Social Security | | 3,681 | |
| Pensions | | 5,112 | |
| Employer Medicare | | 885 | |
| Other Contracted Services | | 11,550 | |
| Instructional Supplies and Materials | | 535 | |
| Software | | 294,347 | |
| Building Improvements | | 798,678 | |
| Regular Instruction Equipment | | 1,660,046 | |
| Total COVID-19 Expenditures | | | 2,836,144 |

Support Services

Other Student Support

| | | | |
|------------------------------------|----|--------|---------|
| Social Workers | \$ | 33,000 | |
| Other Salaries and Wages | | 14,635 | |
| Social Security | | 2,948 | |
| Pensions | | 3,691 | |
| Medical Insurance | | 7,602 | |
| Dental Insurance | | 334 | |
| Employer Medicare | | 690 | |
| Contracts with Government Agencies | | 44,780 | |
| Travel | | 1,158 | |
| Other Contracted Services | | 1,961 | |
| Other Supplies and Materials | | 8,187 | |
| In Service/Staff Development | | 509 | |
| Total Other Student Support | | | 119,495 |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|------------|
| Supervisor/Director | \$ | 80,805 | |
| Other Salaries and Wages | | 260,535 | |
| Social Security | | 19,450 | |
| Pensions | | 34,956 | |
| Medical Insurance | | 72,794 | |
| Dental Insurance | | 2,338 | |
| Employer Medicare | | 4,548 | |
| Travel | | 55 | |
| Other Supplies and Materials | | 2,843 | |
| In Service/Staff Development | | 12,510 | |
| Other Charges | | 250 | |
| Other Equipment | | 1,803 | |
| Total Regular Instruction Program | | | \$ 492,887 |

Special Education Program

| | | | |
|---------------------------------|----|---------|---------|
| Psychological Personnel | \$ | 61,508 | |
| Other Salaries and Wages | | 119,789 | |
| Social Security | | 10,792 | |
| Pensions | | 15,711 | |
| Medical Insurance | | 27,245 | |
| Dental Insurance | | 1,002 | |
| Employer Medicare | | 2,524 | |
| Travel | | 1,152 | |
| Other Contracted Services | | 70,265 | |
| In Service/Staff Development | | 100 | |
| Total Special Education Program | | | 310,088 |

Transportation

| | | | |
|---------------------------------|----|---------|---------|
| Contracts with Private Agencies | \$ | 115,700 | |
| Total Transportation | | | 115,700 |

COVID-19 Expenditures

| | | | |
|------------------------------|----|--------|---------|
| Other Salaries and Wages | \$ | 18,135 | |
| Social Security | | 1,076 | |
| Pensions | | 1,703 | |
| Employer Medicare | | 252 | |
| Drugs and Medical Supplies | | 9,710 | |
| Other Supplies and Materials | | 82,975 | |
| Plant Operation Equipment | | 38,229 | |
| Other Equipment | | 60,000 | |
| Total COVID-19 Expenditures | | | 212,080 |

Operation of Non-Instructional Services

Community Services

| | | | |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 9,800 | |
| Teachers | | 81,266 | |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

| | | | |
|--------------------------------------|----|--------|---------|
| Educational Assistants | \$ | 50,635 | |
| Other Salaries and Wages | | 50,271 | |
| Social Security | | 11,622 | |
| Pensions | | 16,959 | |
| Employer Medicare | | 2,718 | |
| Food Supplies | | 857 | |
| Instructional Supplies and Materials | | 17,380 | |
| Other Supplies and Materials | | 5,574 | |
| In Service/Staff Development | | 70 | |
| Other Charges | | 14,415 | |
| Total Community Services | \$ | | 261,567 |

COVID-19 Expenditures

| | | | |
|-----------------------------|----|--------|--------|
| Food Service Equipment | \$ | 10,000 | |
| Total COVID-19 Expenditures | | | 10,000 |

Total School Federal Projects Fund \$ 5,809,257

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|---|----|---------|-----------|
| Accountants/Bookkeepers | \$ | 22,512 | |
| Cafeteria Personnel | | 528,825 | |
| Other Salaries and Wages | | 35,478 | |
| Social Security | | 34,286 | |
| Pensions | | 33,587 | |
| Medical Insurance | | 160,884 | |
| Dental Insurance | | 11,829 | |
| Employer Medicare | | 8,023 | |
| Maintenance and Repair Services - Equipment | | 15,224 | |
| Transportation - Other than Students | | 18,072 | |
| Other Contracted Services | | 28,161 | |
| Food Preparation Supplies | | 55,973 | |
| Food Supplies | | 800,916 | |
| Office Supplies | | 6,276 | |
| USDA - Commodities | | 183,941 | |
| Other Supplies and Materials | | 22,986 | |
| In Service/Staff Development | | 2,978 | |
| Other Charges | | 560 | |
| Food Service Equipment | | 77,932 | |
| Total Food Service | \$ | | 2,048,443 |

Total Central Cafeteria Fund 2,048,443

(Continued)

Exhibit K-8

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

| | | | |
|--|----|---------|---------------|
| <u>Internal School Fund</u> | | | |
| <u>Operation of Non-Instructional Services</u> | | | |
| <u>Community Services</u> | | | |
| Other Charges | \$ | 940,085 | |
| Total Community Services | | | \$ 940,085 |
| | | | |
| Total Internal School Fund | | | \$ 940,085 |
| | | | |
| Total Governmental Funds - Hardin County School Department | | | \$ 41,631,391 |

Exhibit K-9

Hardin 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 | \$ 4,590,847 |
| Total Additions | <u>\$ 4,590,847</u> |
| <u>Deductions</u> | |
| Remittance of Revenues Collected | \$ 4,545,399 |
| Trustee's Commission | 45,448 |
| Total Deductions | <u>\$ 4,590,847</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

Hardin County Mayor and
Board of County Commissioners
Hardin 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 Hardin County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hardin County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 18, 2022. Our report includes references to other auditors who audited the financial statements of the Park Rest Hardin County Health Center, the discretely presented Hardin Medical Center, and the Internal School Fund of the Hardin County School Department (a discretely presented component unit), as described in our report on Hardin County's financial statements. This report does not include the results of other auditors' testing of internal controls 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 Hardin 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 Hardin County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hardin 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2021-002 and 2021-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hardin 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 Question Costs as items: 2021-001 and 2021-004.

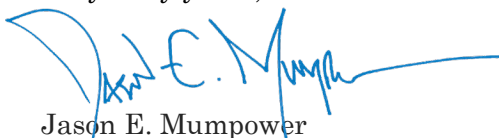
Hardin County's Responses to the Findings

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 18, 2022

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Hardin 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 Hardin 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 Hardin 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 Hardin 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.

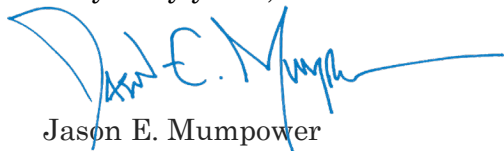
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Hardin County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Hardin County's basic financial statements. We issued our report thereon dated February 18, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 18, 2022

JEM/tg

Hardin County, Tennessee, and the Hardin County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8) (9)
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: (3) | | | |
| School Breakfast Program | 10.553 | N/A | \$ 572,322 |
| National School Lunch Program | 10.555 | N/A | 1,402,495 (5) |
| Summer Food Service Program for Children | 10.559 | N/A | 10,550 |
| Fresh Fruit and Vegetable Program | 10.582 | N/A | 75,956 |
| Passed-through State Department of Agriculture: | | | |
| Child Nutrition Cluster: (3) | | | |
| National School Lunch Program - Commodities (Noncash Assistance) | 10.555 | N/A | 183,941 (5) |
| National School Lunch Program - Commodity Rebate | 10.555 | N/A | 12,918 (5) |
| Passed-through State Department of Health: | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | 02-20-20GG | 19,604 |
| Total U.S. Department of Agriculture | | | <u>\$ 2,277,786</u> |
| U.S. Department of Defense: | | | |
| Passed through State Department of General Services: | | | |
| Section 1033 Excess Property Program (Noncash Assistance) | 12.U01 | (4) | \$ 48,375 (6) |
| Total U.S. Department of Defense | | | <u>\$ 48,375</u> |
| U.S. Department of Justice: | | | |
| Passed-through State Office of Criminal Justice Programs: | | | |
| COVID 19 - Coronavirus Emergency Supplemental Funding Program | 16.034 | (4) | \$ 9,731 |
| Passed-through State Commission on Children and Youth: | | | |
| Juvenile Justice and Delinquency Prevention - Allocation to States | 16.540 | (4) | 9,000 |
| Total U.S. Department of Justice | | | <u>\$ 18,731</u> |
| U.S. Department of Labor: | | | |
| Passed-through State Department of Labor and Workforce Development: | | | |
| COVID 19 - Unemployment Insurance | 17.225 | (4) | \$ 7,749 |
| Total U.S. Department of Labor | | | <u>\$ 7,749</u> |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Highway Safety Cluster: (3) | | | |
| State and Community Highway Safety | 20.600 | (4) | \$ 13,937 |
| Total U.S. Department of Transportation | | | <u>\$ 13,937</u> |
| U.S. Department of Treasury: | | | |
| Passed-through State Department of Finance and Administration: | | | |
| COVID 19 - Coronavirus Relief Fund | 21.019 | (4) | \$ 386,640 (5) |
| Passed-through State Department of Education: | | | |
| COVID 19 - Coronavirus Relief Fund | 21.019 | (4) | 437,901 (5) |
| Total U.S. Department of Treasury | | | <u>\$ 824,541</u> |
| U.S. Institute of Museum and Library Services: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| Grants to States | 45.310 | (4) | \$ 1,689 (5) |
| COVID 19 - Grants to States | 45.310 | (4) | 2,288 (5) |
| Total U.S. Institute of Museum and Library Services | | | <u>\$ 3,977</u> |

(Continued)

Hardin County, Tennessee, and the Hardin County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8) (9) (Cont.)

| Federal/Pass-through Agency/State Grantor Program Title | Federal Assistance Listings Number | Pass-through Entity Identifying Number | Expenditures |
|--|------------------------------------|--|---------------------|
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | \$ 1,181,823 |
| Special Education Cluster: (3) | | | |
| Special Education - Grants to States | 84.027 | N/A | 882,575 |
| Special Education - Preschool Grants | 84.173 | N/A | 37,314 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 79,271 |
| Twenty-first Century Community Learning Centers | 84.287 | N/A | 261,569 |
| Rural Education | 84.358 | N/A | 60,086 |
| Supporting Effective Instruction State Grant | 84.367 | N/A | 23,370 |
| Student Support and Academic Enrichment Program | 84.424 | N/A | 67,686 |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER I) | 84.425D | N/A | 1,021,278 (5) |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II) | 84.425D | N/A | 1,985,947 (5) |
| Total U.S. Department of Education | | | <u>\$ 5,600,919</u> |
| U.S. Election Assistance Commission: | | | |
| Passed through Tennessee Secretary of State: | | | |
| 2020 HAVA Election Security Grants | 90.404 | N/A | \$ 11,949 (5) |
| COVID 19 - 2020 Supplemental Election Security Grants | 90.404 | N/A | 51,750 (5) |
| Total U.S. Election Assistance Commission | | | <u>\$ 63,699</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed through State Commission on Aging and Disability: | | | |
| Aging Cluster: (3) | | | |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | (4) | \$ 32,754 (5) |
| COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | (4) | 11,100 (5) |
| COVID 19 - Special Programs for the Aging, Title III, Part C, Nutrition Services | 93.045 | (4) | 13,350 |
| Passed-through State Department of Health: | | | |
| Family Planning Services | 93.217 | G-20-63525-00 | 9,200 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | G-20-63525-00 | 15,119 |
| Passed-through State Department of Education: | | | |
| 477 Cluster: (3) | | | |
| COVID 19 - Temporary Assistance for Needy Families | 93.558 | (4) | 63,971 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 145,494</u> |
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | FEMA-4427DR-TN | \$ 856,538 |
| Emergency Management Performance Grants | 97.042 | (4) | 35,000 |
| Homeland Security Grant Program | 97.067 | (4) | 10,600 |
| Total U.S. Department of Homeland Security | | | <u>\$ 902,138</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 9,907,346</u> |

(Continued)

Hardin County, Tennessee, and the Hardin County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8) (9) (Cont.)

| Federal/Pass-through Agency/State Grantor Program Title | Federal Assistance Listings Number | Contract Number | Expenditures |
|---|------------------------------------|-----------------|---------------------|
| State Grants: | | | |
| Coordinated School Health - State Department of Education | N/A | N/A | \$ 100,000 |
| COVID 19 - Bridge Camp - State Department of Education | N/A | N/A | 33,644 |
| COVID 19 - Summer Learning Camp - State Department of Education | N/A | N/A | 64,976 |
| COVID 19 - Transportation for Summer Camps - State Department of Education | N/A | N/A | 52,380 |
| Early Childhood Education - State Department of Education | N/A | N/A | 535,374 |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Military | N/A | FEMA-4427DR-TN | 141,003 |
| Safe Schools Act - State Department of Education | N/A | N/A | 64,480 |
| Health Department Grant - State Department of Health | N/A | 02-20-20GG | 103,482 |
| T.O.P. Grant - State Department of Economic and Community Development | N/A | (4) | 1,330 |
| Litter Program - State Department of Transportation | N/A | (4) | 39,827 |
| Material Management Special Project Grant - State Department of Environment and Conservation | N/A | (4) | 38,952 |
| Animal Friendly Grant - State Department of Agriculture | N/A | (4) | 1,300 |
| Tennessee Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services | N/A | (4) | 60,768 |
| State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration | N/A | (4) | 877,669 |
| Tourism Enhancement Grant - State Department of Tourism Development | N/A | (4) | <u>75,000</u> |
| Total State Grants | | | <u>\$ 2,190,185</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) Hardin County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Child Nutrition Cluster total \$2,182,226; Highway Safety Cluster total \$13,937; Special Education Cluster total \$919,889; Aging Cluster total \$57,204; 477 Cluster total \$63,971.
- (4) Information not available.
- (5) Total for FAL No. 10.555 is \$1,599,354; Total for FAL No. 21.019 is \$824,541; Total for FAL No. 45.310 is \$3,977; Total for FAL No. 84.425D is \$3,007,225; Total for FAL No. 90.404 is \$63,699; Total for FAL No. 93.044 is \$43,854.
- (6) During the year ended June 30, 2021, Hardin County received excess military equipment from the U.S. Department of Defense valued at \$48,375.
- (7) For the year ended June 30, 2021, Hardin County received donated PPE valued at \$479,869 (\$359,902 federal and \$119,967 state) from the State Department of Military. These donations were unaudited.
- (8) No amounts (\$0) were passed-through to subrecipients.
- (9) The following amounts were consolidated for administration purposes:

| Program Title | Federal Assistance Listings Number | Amount Provided to Consolidated Administration |
|--|------------------------------------|--|
| Title I Grants to Local Educational Agencies | 84.010 | \$ 134,603 |
| Rural Education | 84.358 | 12,381 |
| Supporting Effective Instruction State Grant | 84.367 | 31,705 |
| Student Support and Academic Enrichment Program | 84.424 | 1,641 |
| Total amounts consolidated for administration purposes | | <u>\$ 180,330</u> |

Hardin 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 Hardin 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 |
|-------------|-------------|----------------|------------------|------------|----------------|
|-------------|-------------|----------------|------------------|------------|----------------|

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

| | | | | | |
|------|-----|----------|--|-----|-----------|
| 2020 | 231 | 2020-001 | The offices had deficiencies in budget operations. | N/A | Corrected |
|------|-----|----------|--|-----|-----------|

OFFICE OF TRUSTEE

| | | | | | |
|------|-----|----------|--|-----|---|
| 2020 | 232 | 2020-002 | The office maintained a duplicate set of receipts. | 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.

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553, 10.555, and 10.559 Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children
 - * Assistance Listings Number: 21.019 COVID-19 - Coronavirus Relief Fund
 - * Assistance Listings Number: 84.425D COVID-19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I and II)
 - * Assistance Listings Number: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF HIGHWAY COMMISSIONER

FINDING 2021-001 **ALLEGATIONS INVOLVING THE HARDIN COUNTY HIGHWAY DEPARTMENT AND THE FORMER HIGHWAY COMMISSIONER ARE CURRENTLY UNDER INVESTIGATION**
(Noncompliance Under *Government Auditing Standards*)

An investigation of the Hardin County Highway Department and the former highway commissioner by the Comptroller's Division of Investigations is ongoing. Findings, if any, resulting from this investigation will be included in a subsequent report.

OFFICE OF TRUSTEE

FINDING 2021-002 **THE OFFICE MAINTAINED A DUPLICATE SET OF RECEIPTS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office issued all receipts manually and subsequently entered the receipts into the computerized accounting records as automated receipts. Sound business practices dictate that manual receipts be discontinued after electronic records are installed. Maintaining both manual and automated receipts resulted in increased costs for operations and a duplication of effort. In addition, this practice could result in the failure to record all receipts into the official electronic record and increases the risks of fraud and abuse. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The office should discontinue the use of manual receipts and only issue receipts electronically.

MANAGEMENT'S RESPONSE – TRUSTEE

To serve the landowners of Hardin County effectively, I use prenumbered receipts. These receipts match the computer numbers. The hard copy allows us to cross reference delinquent tax numbers of prior-year to current-year. We show on the receipt when a business has closed with the prior year's taxes. As to excess cost, a receipt would be printed from the computer,

so no extra cost would be incurred by the county. When this system does not work efficiently, an electronic one will be put in place.

AUDITOR'S COMMENT

The office should discontinue the use of manual receipts. Receipts should be issued electronically, giving consideration to the costs associated with the acquisition and on-going maintenance of the computer system, and additional labor costs for maintaining manual accounting records.

FINDING 2021-003

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 two audit logs that displayed changes made by users. Since these logs provide the only audit trail of these changes, the logs should be reviewed for inappropriate activity. Although the official was aware of the importance of these logs, they were not consistently reviewed. This deficiency was corrected in February 2021 after being brought to the attention of management.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – TRUSTEE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

OFFICE OF COUNTY CLERK

FINDING 2021-004

A CASH SHORTAGE OF \$532 EXISTED IN THE OFFICE DURING THE YEAR ENDED JUNE 30, 2021

(Noncompliance Under *Government Auditing Standards*)

A cash shortage totaling \$532 existed in the office during the year ended June 30, 2021. On April 14, 2021, a deputy clerk was performing a cash count on all office cash drawers and noted the cash drawer of one employee was short by \$76. This employee later claimed that she found the missing funds in her desk. On April 15, 2021, the county clerk was informed of the shortage by the deputy clerk. The county clerk immediately terminated the employment of the employee and contacted representatives with the Comptroller's Office who advised the clerk to file a fraud reporting form. The county clerk later discovered that there was \$152 missing from MVD renewal collections that this same employee had deleted from the computer system. During the annual audit of the clerk's office, auditors expanded the examination and noted that in addition to the \$152 missing from MVD renewals, the former

employee had changed the dates on five receipts totaling \$380 delaying the deposit of these funds in order to borrow the funds for personal gain resulting in a total shortage of \$532 (\$152 plus \$380). As of June 30, 2021, \$152 of the shortage remains unpaid. This finding has been reviewed with the District Attorney General's Office.

RECOMMENDATION

The clerk should take steps to recover the remaining cash shortage.

MANAGEMENT'S RESPONSE – COUNTY CLERK

I concur with the finding. I will attempt to collect the shortage.

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.

Hardin 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 TRUSTEE

| | | |
|----------|--|-----|
| 2021-002 | The office maintained a duplicate set of receipts. | 243 |
| 2021-003 | The office did not review its software audit logs. | 244 |

OFFICE OF COUNTY CLERK

| | | |
|----------|---|-----|
| 2021-004 | A cash shortage of \$532 existed in the office during the year ended June 30, 2021. | 245 |
|----------|---|-----|



SAVANNAH, TENN.

Corrective Action Plan

FINDING **THE OFFICE MAINTAINED A DUPLICATE SET OF RECEIPTS**

Response and Corrective Action Plan Prepared by:

Linda McCasland, Trustee

Person Responsible for Implementing the Corrective Action:

Linda McCasland, Trustee

Anticipated Completion Date of Corrective Action:

N/A

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

The official feels that corrective action is not cost effective or necessary.

Planned Corrective Action:

Management has no corrective action plan.

Signature:

Linda McCasland

Linda McCasland, Trustee



SAVANNAH, TENN.

Corrective Action Plan

Finding: THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

Response and Corrective Action Plan Prepared by:
Linda McCasland, Trustee

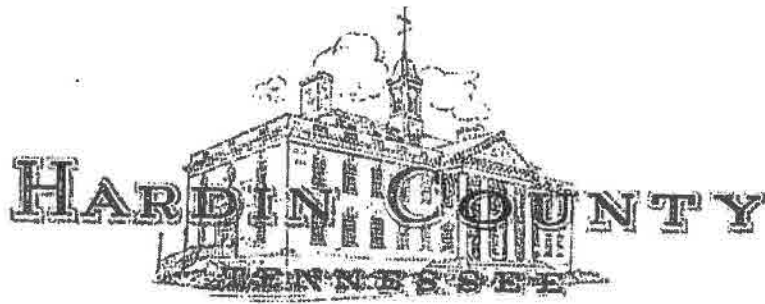
Person Responsible for Implementing the Corrective Action:
Linda McCasland, Trustee

Anticipated Completion Date of Corrective Action:
February 2021

Repeat Finding:
No

Planned Corrective Action:
The office began reviewing all software audit logs monthly in February 2021.

Signature: Linda L McCasland



SAVANNAH, TENN.

Corrective Action Plan

FINDING

A CASH SHORTAGE OF \$532 EXISTED IN THE OFFICE OF COUNTY CLERK DURING THE YEAR ENDED JUNE 30, 2021

Response and Corrective Action Plan Prepared by:
Paula Wilhite, County Clerk

Person Responsible for Implementing the Corrective Action:
Paula Wilhite, County Clerk

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

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

Planned Corrective Action:
I will immediately take steps to collect the shortage amount.

Signature: _____

Paula Wilhite
Paula Wilhite, County Clerk

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Hardin County.

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

Hardin 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.