



## ANNUAL FINANCIAL REPORT

# Overton County, Tennessee

*For the Year Ended June 30, 2021*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**OVERTON 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*

*STEVE REEDER, CPA, CGFM, CFE*  
*Audit Manager*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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## ***Summary of Audit Findings***

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

### ***Scope***

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

### ***Results***

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

Our audit resulted in 12 findings and recommendations, which we have reviewed with Overton 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 DIRECTOR OF SCHOOLS**

- ◆ The General Purpose School Fund required material audit adjustments for proper financial statement presentation.
- ◆ The school department paid compensatory time without proper documentation.
- ◆ Accounting records for the year ended June 30, 2021, were not closed and available for audit by August 31, 2021.
- ◆ The School Federal Projects Fund had a deficit in unassigned fund balance.
- ◆ The office had accounting deficiencies.
- ◆ The office had deficiencies in budget operations.
- ◆ An interfund loan was not issued in accordance with state statute.
- ◆ A laptop and several flash drives are missing from the central office.
- ◆ Access to the accounting software was not restricted properly.
- ◆ Duties were not segregated adequately.



## OFFICE OF COUNTY CLERK

- ◆ Some funds were not deposited within three days of collection.
- ◆ Operations of the County Clerk's Office are currently being reviewed.



# INTRODUCTORY SECTION



Overton County Officials  
June 30, 2021

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**Officials**

Ben Danner, County Executive  
James Norrod, Highway Superintendent  
Dr. Donnie Holman, Interim Director of Schools  
Peggy Clark Smith, Trustee  
Cara Boone, Assessor of Property  
Victoria Looper, County Clerk  
Barbara Matthews, General Sessions Courts Clerk  
Dorothy Stanton, Clerk and Master  
Kim Copeland, Register of Deeds  
John Garrett, Sheriff  
Connie York, Director of Accounts and Budgets

**Board of County Commissioners**

Ben Danner, County Executive, Chairman  
Randall Boswell  
Jesse Bowman  
Darwin Clark  
Jeff Long  
Gail McCowan  
Frank Martin  
Robbie Melton

Gregg Nivens  
Billie Phipps  
Lee Richards  
Donna Savage  
Phillip Talley  
Geraldine Walker  
Shane Walker  
Vacant

**Board of Education**

Jarmin Hicks, Chairman  
William Abston  
Dolphus Dial  
Ricky Dodson  
Mike Gilpatrick

Mike Hayes  
Bruce Hudgens  
Mitchell Stonecipher  
Wayne Taylor  
Vacant

**Budget and Purchasing Committee**

Darwin Clark, Chairman  
Randall Boswell  
Frank Martin  
Gregg Nivens  
Billie Phipps

**Audit Committee**

Donna Savage, Chairman  
Nicole Cooper  
Dian Franklin  
Robbie Melton  
Tina Williams

# FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

Overton County Executive and  
Board of County Commissioners  
Overton County, Tennessee

To the County Executive and Board of County Commissioners:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton 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 discretely presented Overton County Health and Rehab Center. We were unable to determine Overton County Health and Rehab Center's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Overton/Pickett County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We also did not audit the financial statements of the Internal School Fund of Overton County School Department (a discretely presented component unit), which represents 1.12 percent, 1.73 percent, and 1.97 percent, respectively, of the assets, net position, and revenues of the aggregate 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 Overton County Health and Rehab Center and the Internal School Fund of the Overton County School Department, is based solely on the report of the other auditors. We conducted our audit in

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

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County, Tennessee, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, 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., Overton 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.10. to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$1,316,869 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Overton County School Department's net position totaling \$368,058 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 Overton County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Overton County School Department (a discretely presented component unit), miscellaneous schedules, and other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining

and individual fund financial statements of the Overton County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and by other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Overton 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 24, 2022, on our consideration of Overton 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 Overton 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 Overton County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

February 24, 2022

JEM/sl

# BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Overton County School Department	Overton County Health and Rehab Center
<u>ASSETS</u>			
Cash	\$ 1,360	\$ 470,883	\$ 4,163,321
Equity in Pooled Cash and Investments	13,438,709	12,306,446	0
Inventories	0	56,164	0
Accounts Receivable	779,105	77,413	872,355
Allowance for Uncollectibles	(243,410)	0	(102,000)
Due from Other Governments	1,216,235	1,500,412	0
Due from Component Units	13,162,214	0	0
Property Taxes Receivable	6,828,049	2,198,755	0
Allowance for Uncollectible Property Taxes	(104,353)	(33,603)	0
Prepaid Items	0	0	1,250
Net Pension Asset - Agent Plan	829,656	488,892	399,878
Net Pension Asset - Teacher Retirement Plan	0	67,601	0
Net Pension Asset - Teacher Legacy Pension Plan	0	2,487,196	0
Restricted Assets:			
Amounts Accumulated for Pension Benefits	0	108,590	0
Capital Assets:			
Assets Not Depreciated:			
Land	700,401	574,963	115,000
Intangibles	51,301	0	0
Construction in Progress	1,405,544	0	7,184,993
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	10,684,713	11,154,379	5,616,249
Infrastructure	10,689,037	526,969	20,121
Other Capital Assets	3,025,516	1,789,104	243,498
Total Assets	<u>\$ 62,464,077</u>	<u>\$ 33,774,164</u>	<u>\$ 18,514,665</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Changes in Experience	\$ 32,400	\$ 116,156	\$ 15,616
Pension Changes in Assumptions	62,576	264,945	30,161
Pension Changes in Investment Earnings	123,128	633,552	59,345
Pension Changes in Proportion	0	23,872	0
Pension Contributions after Measurement Date	310,881	1,355,051	156,143
OPEB Changes in Experience	14,501	585,696	65,780
OPEB Changes in Assumptions	80,050	580,927	75,155
OPEB Changes in Proportion	0	443,523	0
OPEB Contributions After Measurement Date	4,773	169,975	8,466
Total Deferred Outflows of Resources	<u>\$ 628,309</u>	<u>\$ 4,173,697</u>	<u>\$ 410,666</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 355,934	\$ 0	\$ 293,986
Accrued Payroll	139,792	51,350	128,453
Payroll Deductions Payable	169	97,470	62,657
Accrued Interest Payable	176,891	0	51,901
Due to Primary Government	0	6,012,214	7,150,000
Due to Other Governments	2,160,027	0	0
Due to State of Tennessee	0	1,585	0
Due to Litigants, Heirs, and Others	0	0	43,823
Noncurrent Liabilities:			
Due Within One Year - Debt	2,440,356	0	0
Due Within One Year - Other	113,408	27,544	142,605
Due in More Than One Year - Debt	14,381,858	0	0
Due in More Than One Year - Other	532,625	4,936,571	449,749
Total Liabilities	<u>\$ 20,301,060</u>	<u>\$ 11,126,734</u>	<u>\$ 8,323,174</u>

(Continued)



Exhibit A

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

	Primary Governmental Activities	Component Units	
		Overton County School Department	Overton County Health and Rehab Center
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 6,587,942	\$ 2,121,436	\$ 0
Pension Changes in Experience	137,788	1,293,934	66,411
Pension Changes in Proportion	0	11,154	0
OPEB Changes in Experience	352,416	96,813	109,204
OPEB Changes in Assumptions	36,387	368,507	15,478
OPEB Changes in Proportion	0	993,212	0
Total Deferred Inflow of Resources	<u>\$ 7,114,533</u>	<u>\$ 4,885,056</u>	<u>\$ 191,093</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 22,896,512	\$ 14,045,415	\$ 5,908,658
Restricted for:			
General Government	217,036	0	0
Administration of Justice	56,246	0	0
Public Safety	147,373	0	0
Social, Cultural, and Recreational Services	132,920	0	0
Highways/Public Works	1,451,642	0	0
Education	0	511,426	0
Debt Service	7,546	0	0
Capital Projects	653,314	0	148,874
Pensions	829,656	3,152,279	399,878
Unrestricted	<u>9,284,548</u>	<u>4,226,951</u>	<u>3,953,654</u>
Total Net Position	<u>\$ 35,676,793</u>	<u>\$ 21,936,071</u>	<u>\$ 10,411,064</u>

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

Exhibit B

Overton 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		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units	
						Overton County School Department	Overton County Health and Rehab Center
Primary Government:							
Governmental Activities:							
General Government	\$ 2,540,801	\$ 224,245	\$ 15,164	\$ 0	\$ (2,301,392)	\$ 0	\$ 0
Finance	714,240	671,451	0	0	(42,789)	0	0
Administration of Justice	904,347	424,265	156,637	0	(323,445)	0	0
Public Safety	3,975,494	985,878	126,869	0	(2,862,747)	0	0
Public Health and Welfare	3,932,796	2,037,510	552,890	0	(1,342,396)	0	0
Social, Cultural, and Recreational Services	329,701	62	122,059	0	(207,580)	0	0
Agriculture and Natural Resources	122,259	0	11,995	0	(110,264)	0	0
Highways/Public Works	2,891,218	0	2,757,662	1,413,507	1,279,951	0	0
Interest on Long-term Debt	689,876	0	392,735	0	(297,141)	0	0
<b>Total Primary Government</b>	<b>\$ 16,100,732</b>	<b>\$ 4,343,411</b>	<b>\$ 4,136,011</b>	<b>\$ 1,413,507</b>	<b>\$ (6,207,803)</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:							
Overton County School Department	\$ 29,768,029	\$ 75,716	\$ 6,381,596	\$ 138,000	\$ 0	\$ (23,172,717)	\$ 0
Overton County Health and Rehab Center	7,782,501	7,335,113	383,238	0	0	0	(64,150)
<b>Total Component Units</b>	<b>\$ 37,550,530</b>	<b>\$ 7,410,829</b>	<b>\$ 6,764,834</b>	<b>\$ 138,000</b>	<b>\$ 0</b>	<b>\$ (23,172,717)</b>	<b>\$ (64,150)</b>

(Continued)

Exhibit B

Overton County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units	
						Overton County School Department	Overton County Health and Rehab Center
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 5,707,024	\$ 2,090,477	\$ 0
Property Taxes Levied for Debt Service					388,677	0	0
Local Option Sales Tax					1,727,247	3,495,170	0
Hotel/Motel Tax					50,736	0	0
Wheel Tax					0	658,943	
Wholesale Beer Tax					0	123,573	
Mixed Drink Tax					0	14,171	0
Litigation Taxes					71,419	0	0
Mineral Severance Tax					93,351	0	0
Business Tax					186,693	0	0
Other Local Taxes					1,805	210	0
Grants and Contributions Not Restricted for Specific Programs					2,209,178	20,690,394	0
Unrestricted Investment Income					33,895	0	48,795
Gain on Investments					0	17,658	0
Miscellaneous					125,855	67,728	197,905
Gain on the Forgiveness of Debt					0	0	637,299
<b>Total General Revenues</b>					<b>\$ 10,595,880</b>	<b>\$ 27,158,324</b>	<b>\$ 883,999</b>
Change in Net Position					\$ 4,388,077	\$ 3,985,607	\$ 819,849
Net Position, July 1, 2020					31,288,716	17,582,406	9,591,215
Restatement - See Note I.D.10.					0	368,058	0
<b>Net Position, June 30, 2021</b>					<b>\$ 35,676,793</b>	<b>\$ 21,936,071</b>	<b>\$ 10,411,064</b>

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

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	American Rescue Plan	Highway / Public Works	General Debt Service
<u>ASSETS</u>					
Cash	\$ 10	\$ 50	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	6,233,042	1,901,594	2,160,027	1,294,397	1,042,446
Accounts Receivable	740,656	25,882	0	0	0
Allowance for Uncollectibles	(243,410)	0	0	0	0
Due from Other Governments	455,889	154,084	0	464,331	141,931
Due from Other Funds	13,867	0	0	0	23,838
Property Taxes Receivable	5,614,153	389,363	0	389,363	435,170
Allowance for Uncollectible Property Taxes	(85,800)	(5,951)	0	(5,951)	(6,651)
Total Assets	\$ 12,728,407	\$ 2,465,022	\$ 2,160,027	\$ 2,142,140	\$ 1,636,734
<u>LIABILITIES</u>					
Accounts Payable	\$ 56,839	\$ 11,318	\$ 0	\$ 283,402	0
Accrued Payroll	98,853	9,560	0	31,379	0
Payroll Deductions Payable	0	123	0	46	0
Due to Other Funds	23,838	0	0	0	0
Due to Other Governments	0	0	2,160,027	0	0
Total Liabilities	\$ 179,530	\$ 21,001	\$ 2,160,027	\$ 314,827	0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,416,733	\$ 375,671	\$ 0	\$ 375,671	419,867
Deferred Delinquent Property Taxes	97,346	6,751	0	6,751	7,546
Other Deferred/Unavailable Revenue	475,569	77,856	0	219,485	0
Total Deferred Inflows of Resources	\$ 5,989,648	\$ 460,278	\$ 0	\$ 601,907	427,413

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	American Rescue Plan	Highway / Public Works	General Debt Service
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 2,658	\$ 200,000	\$ 0	\$ 0	0
Restricted for Administration of Justice	56,246	0	0	0	0
Restricted for Public Safety	12,237	0	0	0	0
Restricted for Other Operations	132,920	0	0	0	0
Restricted for Highways/Public Works	0	0	0	1,225,406	0
Restricted for Capital Outlay	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	0	1,783,743	0	0	0
Committed for Debt Service	0	0	0	0	1,209,321
Assigned:					
Assigned for General Government	3,504	0	0	0	0
Assigned for Finance	60	0	0	0	0
Assigned for Administration of Justice	2,291	0	0	0	0
Assigned for Public Safety	5,115	0	0	0	0
Assigned for Public Health and Welfare	6,157	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	260	0	0	0	0
Assigned for Other Operations	2,995	0	0	0	0
Assigned for Highways/Public Works	277	0	0	0	0
Unassigned	6,334,509	0	0	0	0
Total Fund Balances	\$ 6,559,229	\$ 1,983,743	\$ 0	\$ 1,225,406	\$ 1,209,321
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,728,407	\$ 2,465,022	\$ 2,160,027	\$ 2,142,140	\$ 1,636,734

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$	1,300	\$	1,360
Equity in Pooled Cash and Investments		807,203		13,438,709
Accounts Receivable		12,567		779,105
Allowance for Uncollectibles		0		(243,410)
Due from Other Governments		0		1,216,235
Due from Other Funds		0		37,705
Property Taxes Receivable		0		6,828,049
Allowance for Uncollectible Property Taxes		0		(104,353)
		<hr/>		<hr/>
Total Assets	\$	821,070	\$	21,953,400
		<hr/>		<hr/>
<u>LIABILITIES</u>				
Accounts Payable	\$	4,375	\$	355,934
Accrued Payroll		0		139,792
Payroll Deductions Payable		0		169
Due to Other Funds		13,867		37,705
Due to Other Governments		0		2,160,027
Total Liabilities	\$	18,242	\$	2,693,627
		<hr/>		<hr/>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$	0	\$	6,587,942
Deferred Delinquent Property Taxes		0		118,394
Other Deferred/Unavailable Revenue		0		772,910
Total Deferred Inflows of Resources	\$	0	\$	7,479,246
		<hr/>		<hr/>

(Continued)

Exhibit C-1

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

<u>FUND BALANCES</u>	<u>Nonmajor Funds</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
Restricted:			
Restricted for General Government	\$ 14,378	\$	217,036
Restricted for Administration of Justice	0		56,246
Restricted for Public Safety	135,136		147,373
Restricted for Other Operations	0		132,920
Restricted for Highways/Public Works	0		1,225,406
Restricted for Capital Outlay	653,314		653,314
Committed:			
Committed for Public Health and Welfare	0		1,783,743
Committed for Debt Service	0		1,209,321
Assigned:			
Assigned for General Government	0		3,504
Assigned for Finance	0		60
Assigned for Administration of Justice	0		2,291
Assigned for Public Safety	0		5,115
Assigned for Public Health and Welfare	0		6,157
Assigned for Social, Cultural, and Recreational Services	0		260
Assigned for Other Operations	0		2,995
Assigned for Highways/Public Works	0		277
Unassigned	0		6,334,509
Total Fund Balances	<u>\$ 802,828</u>	<u>\$</u>	<u>11,780,527</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 821,070</u>	<u>\$</u>	<u>21,953,400</u>

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

Exhibit C-2

Overton 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)		\$ 11,780,527
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 700,401	
Add: intangible assets	51,301	
Add: construction in progress	1,405,544	
Add: buildings and improvements net of accumulated depreciation	10,684,713	
Add: infrastructure net of accumulated depreciation	10,689,037	
Add: other capital assets net of accumulated depreciation	<u>3,025,516</u>	26,556,512
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (11,740,250)	
Less: notes payable	(2,370,000)	
Less: other loans payable	(2,711,964)	
Add: debt to be contributed by the school department	6,012,214	
Add: debt to be contributed by the health and rehab center	7,150,000	
Less: accrued interest on bonds	(126,228)	
Less: accrued interest on notes	(48,447)	
Less: accrued interest on other loans payable	(2,216)	
Less: compensated absences payable	(139,640)	
Less: net OPEB liability	(480,367)	
Less: landfill postclosure care costs	<u>(26,026)</u>	(4,482,924)
(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	\$ 528,985	
Less: deferred inflows of resources related to pensions	(137,788)	
Add: deferred outflows of resources related to OPEB	99,324	
Less: deferred inflows of resources related to OPEB	<u>(388,803)</u>	101,718
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		829,656
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>891,304</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 35,676,793</u></u>

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



Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 6,603,832	\$ 1,241,467	\$ 473,661	\$ 424,780	\$ 387	\$ 8,744,127
Licenses and Permits	38,643	0	0	0	0	38,643
Fines, Forfeitures, and Penalties	104,357	0	0	0	33,903	138,260
Charges for Current Services	1,725,748	298,036	0	0	3,631	2,027,415
Other Local Revenues	166,188	56,415	12,174	33,895	37,881	306,553
Fees Received From County Officials	1,004,439	0	0	0	0	1,004,439
State of Tennessee	2,243,290	0	2,392,350	1,991,688	0	6,627,328
Federal Government	661,554	0	281,047	0	0	942,601
Other Governments and Citizens Groups	109,518	0	0	1,696,688	0	1,806,206
<b>Total Revenues</b>	<b>\$ 12,657,569</b>	<b>\$ 1,595,918</b>	<b>\$ 3,159,232</b>	<b>\$ 4,147,051</b>	<b>\$ 75,802</b>	<b>\$ 21,635,572</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 2,010,497	\$ 87,390	\$ 0	\$ 0	\$ 128	\$ 2,098,015
Finance	734,253	0	0	0	190	734,443
Administration of Justice	919,723	0	0	0	3,441	923,164
Public Safety	3,964,873	0	0	0	32,903	3,997,776
Public Health and Welfare	2,932,356	1,204,116	0	0	0	4,136,472
Social, Cultural, and Recreational Services	251,991	0	0	0	0	251,991
Agriculture and Natural Resources	127,282	0	0	0	0	127,282
Other Operations	352,581	0	0	0	4	352,585
Highways	46,599	0	3,262,435	0	0	3,309,034
Debt Service:						
Principal on Debt	0	0	0	3,688,953	0	3,688,953
Interest on Debt	0	0	0	566,584	0	566,584
Other Debt Service	0	0	0	15,820	0	15,820

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	2,433,180	\$ 2,433,180
Total Expenditures	\$ 11,340,155	\$ 1,291,506	\$ 3,262,435	\$ 4,271,357	\$ 2,469,846	\$ 22,635,299
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 1,317,414	\$ 304,412	\$ (103,203)	\$ (124,306)	\$ (2,394,044)	\$ (999,727)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	1,900,000	\$ 1,900,000
Transfers In	32,000	0	0	0	0	32,000
Transfers Out	0	(32,000)	0	0	0	(32,000)
Total Other Financing Sources (Uses)	\$ 32,000	\$ (32,000)	\$ 0	\$ 0	\$ 1,900,000	\$ 1,900,000
<u>Net Change in Fund Balances</u>						
Fund Balance, July 1, 2020	\$ 5,209,815	\$ 1,711,331	\$ 1,328,609	\$ 1,333,627	\$ 1,296,872	\$ 10,880,254
Fund Balance, June 30, 2021	\$ 6,559,229	\$ 1,983,743	\$ 1,225,406	\$ 1,209,321	\$ 802,828	\$ 11,780,527

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

Exhibit C-4

Overton 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)		\$ 900,273
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,565,582	
Less: current-year depreciation expense	<u>(722,109)</u>	2,843,473
(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		(59,519)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 891,304	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(734,114)</u>	157,190
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 1,490,000	
Add: principal payments on notes	1,985,000	
Add: principal payments on other loans payable	213,953	
Less: note proceeds	(1,900,000)	
Less: contributions from the school department for bonds	(968,953)	
Less: contributions from the health and rehab center for bonds	<u>(335,000)</u>	485,000
(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 governmental funds.		
Change in accrued interest payable	\$ (123,292)	
Change in postclosure care costs	8,062	
Change in compensated absences payable	(10,559)	
Change in pension liability/asset	(181,010)	
Change in deferred outflows related to pensions	91,993	
Change in deferred inflows related to pensions	276,551	
Change in net OPEB liability	(54,884)	
Change in deferred outflows related to OPEB	37,714	
Change in deferred inflows related to OPEB	<u>17,085</u>	<u>61,660</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,388,077</u>

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

Exhibit C-5

Overton 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	\$ 6,603,832	\$ 0	\$ 0	\$ 6,603,832	\$ 6,038,262	\$ 6,038,262	\$ 565,570
Licenses and Permits	38,643	0	0	38,643	40,500	40,500	(1,857)
Fines, Forfeitures, and Penalties	104,357	0	0	104,357	87,660	87,660	16,697
Charges for Current Services	1,725,748	0	0	1,725,748	1,140,555	1,288,755	436,993
Other Local Revenues	166,188	0	0	166,188	102,980	136,204	29,984
Fees Received From County Officials	1,004,439	0	0	1,004,439	915,000	915,000	89,439
State of Tennessee	2,243,290	0	0	2,243,290	2,113,144	2,084,343	158,947
Federal Government	661,554	0	0	661,554	722,540	1,170,163	(508,609)
Other Governments and Citizens Groups	109,518	0	0	109,518	108,500	108,500	1,018
Total Revenues	\$ 12,657,569	\$ 0	\$ 0	\$ 12,657,569	\$ 11,269,141	\$ 11,869,387	\$ 788,182
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 113,025	\$ 0	\$ 0	\$ 113,025	\$ 127,186	\$ 127,186	\$ 14,161
Board of Equalization	863	0	0	863	2,700	2,700	1,837
County Mayor/Executive	229,151	0	1,030	230,181	233,378	238,028	7,847
County Attorney	26,516	0	0	26,516	70,621	55,636	29,120
Election Commission	198,796	(130)	0	198,666	229,998	229,998	31,332
Register of Deeds	178,434	0	0	178,434	179,755	183,605	5,171
Planning	16,959	0	0	16,959	17,556	19,926	2,967
County Buildings	298,422	0	274	298,696	516,819	513,301	214,605
Other General Administration	937,770	0	2,200	939,970	925,730	956,940	16,970
Preservation of Records	10,561	0	0	10,561	2,859	14,271	3,710
<u>Finance</u>							
Accounting and Budgeting	63,849	0	0	63,849	64,355	64,355	506
Property Assessor's Office	217,287	(60)	60	217,287	238,578	240,120	22,833
County Trustee's Office	202,069	0	0	202,069	208,743	208,743	6,674
County Clerk's Office	251,048	0	0	251,048	253,765	261,665	10,617
<u>Administration of Justice</u>							
Circuit Court	300,941	0	184	301,125	314,790	313,990	12,865

(Continued)

Exhibit C-5

Overton 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	\$ 162,677	\$ 0	\$ 0	\$ 162,677	\$ 164,150	\$ 164,150	\$ 1,473
Drug Court	147,652	0	900	148,552	204,477	245,827	97,275
Chancery Court	268,186	0	1,207	269,393	270,934	275,656	6,263
Juvenile Court	22,133	0	0	22,133	26,769	26,769	4,636
District Attorney General	0	0	0	0	17,584	17,584	17,584
Judicial Commissioners	18,134	0	0	18,134	24,303	24,303	6,169
<u>Public Safety</u>							
Sheriff's Department	1,955,075	0	1,776	1,956,851	2,214,735	2,246,580	289,729
Special Patrols	45,473	0	0	45,473	46,483	48,983	3,510
Jail	1,559,777	(21)	3,339	1,563,095	1,854,171	1,853,791	290,696
Fire Prevention and Control	196,021	0	0	196,021	202,700	202,700	6,679
Civil Defense	9,593	0	0	9,593	14,250	14,250	4,657
Rescue Squad	10,100	0	0	10,100	10,100	10,100	0
Other Emergency Management	150,000	0	0	150,000	150,000	150,000	0
County Coroner/Medical Examiner	38,834	0	0	38,834	40,000	40,000	1,166
<u>Public Health and Welfare</u>							
Local Health Center	55,479	0	0	55,479	128,000	132,878	77,399
Ambulance/Emergency Medical Services	2,806,320	(308,000)	6,157	2,504,477	2,456,606	2,828,306	323,829
Regional Mental Health Center	6,327	0	0	6,327	6,327	6,327	0
Other Public Health and Welfare	64,230	0	0	64,230	65,666	73,221	8,991
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	57,893	0	0	57,893	71,874	72,374	14,481
Libraries	163,374	0	260	163,634	166,914	166,914	3,280
Other Social, Cultural, and Recreational	30,724	0	0	30,724	31,000	31,000	276
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	66,485	0	0	66,485	76,827	76,827	10,342
Soil Conservation	60,797	0	0	60,797	81,324	81,324	20,527
<u>Other Operations</u>							
Tourism	8,393	0	0	8,393	85,000	85,000	76,607

(Continued)

Exhibit C-5

Overton 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>Other Operations (Cont.)</u>							
Industrial Development	\$ 26,952	\$ 0	\$ 2,995	\$ 29,947	\$ 83,200	\$ 58,615	\$ 28,668
Other Economic and Community Development	0	0	0	0	315,000	315,000	315,000
Airport	5,453	0	0	5,453	32,200	32,200	26,747
Veterans' Services	27,724	0	0	27,724	36,420	36,420	8,696
Contributions to Other Agencies	11,817	0	0	11,817	16,000	16,000	4,183
COVID-19 Grant #6	6,794	0	0	6,794	6,794	10,617	3,823
COVID-19 Grant #7	8,428	(5,800)	0	2,628	9,169	17,734	15,106
COVID-19 Grant #8	3,722	0	0	3,722	0	4,596	874
COVID-19 Grant #10	6,907	0	0	6,907	0	6,907	0
COVID-19 Grant A	229,326	0	0	229,326	0	238,776	9,450
COVID-19 Grant B	2,400	0	0	2,400	0	2,400	0
COVID-19 Grant C	7,000	0	0	7,000	0	9,460	2,460
COVID-19 Grant D	7,665	0	0	7,665	0	7,665	0
<u>Highways</u>							
Traffic Control	3,780	(279)	0	3,501	13,392	13,392	9,891
Litter and Trash Collection	42,819	0	277	43,096	44,800	44,800	1,704
Total Expenditures	\$ 11,340,155	\$ (314,290)	\$ 20,659	\$ 11,046,524	\$ 12,354,002	\$ 13,119,910	\$ 2,073,386
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,317,414	\$ 314,290	\$ (20,659)	\$ 1,611,045	\$ (1,084,861)	\$ (1,250,523)	\$ 2,861,568
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 32,000	\$ 0	\$ 0	\$ 32,000	\$ 32,000	\$ 32,000	\$ 0
Total Other Financing Sources	\$ 32,000	\$ 0	\$ 0	\$ 32,000	\$ 32,000	\$ 32,000	\$ 0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 1,349,414	\$ 314,290	\$ (20,659)	\$ 1,643,045	\$ (1,052,861)	\$ (1,218,523)	\$ 2,861,568
Fund Balance, July 1, 2020	5,209,815	(314,290)	0	4,895,525	5,042,337	5,042,337	(146,812)
Fund Balance, June 30, 2021	<u>\$ 6,559,229</u>	<u>\$ 0</u>	<u>\$ (20,659)</u>	<u>\$ 6,538,570</u>	<u>\$ 3,989,476</u>	<u>\$ 3,823,814</u>	<u>\$ 2,714,756</u>

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

Exhibit C-6

Overton County, Tennessee  
Statement 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)	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	\$ 1,241,467	\$ 0	\$ 1,241,467	\$ 863,943	\$ 863,943	\$ 377,524
Charges for Current Services	298,036	0	298,036	242,408	242,408	55,628
Other Local Revenues	56,415	0	56,415	35,300	35,300	21,115
State of Tennessee	0	0	0	400,000	400,000	(400,000)
<b>Total Revenues</b>	<b>\$ 1,595,918</b>	<b>\$ 0</b>	<b>\$ 1,595,918</b>	<b>\$ 1,541,651</b>	<b>\$ 1,541,651</b>	<b>\$ 54,267</b>
<u>Expenditures</u>						
<u>General Government</u>						
Other General Administration	\$ 87,390	\$ 0	\$ 87,390	\$ 100,400	\$ 108,400	\$ 21,010
<u>Public Health and Welfare</u>						
Convenience Centers	187,408	0	187,408	430,302	384,922	197,514
Transfer Stations	912,625	41,109	953,734	1,310,512	1,371,892	418,158
Recycling Center	64,576	560	65,136	252,000	228,000	162,864
Other Waste Disposal	0	0	0	6,500	6,500	6,500
Postclosure Care Costs	39,507	0	39,507	71,000	71,000	31,493
<b>Total Expenditures</b>	<b>\$ 1,291,506</b>	<b>\$ 41,669</b>	<b>\$ 1,333,175</b>	<b>\$ 2,170,714</b>	<b>\$ 2,170,714</b>	<b>\$ 837,539</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 304,412	\$ (41,669)	\$ 262,743	\$ (629,063)	\$ (629,063)	\$ 891,806
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (32,000)	\$ 0	\$ (32,000)	\$ (32,000)	\$ (32,000)	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ (32,000)</b>	<b>\$ 0</b>	<b>\$ (32,000)</b>	<b>\$ (32,000)</b>	<b>\$ (32,000)</b>	<b>\$ 0</b>

(Continued)



Exhibit C-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 272,412	\$ (41,669)	\$ 230,743	\$ (661,063)	\$ (661,063)	\$ 891,806
Fund Balance, July 1, 2020	1,711,331	0	1,711,331	1,651,920	1,651,920	59,411
Fund Balance, June 30, 2021	\$ 1,983,743	\$ (41,669)	\$ 1,942,074	\$ 990,857	\$ 990,857	\$ 951,217

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

Exhibit C-7

Overton 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	\$ 473,661	\$ 478,643	\$ 478,643	\$ (4,982)
Other Local Revenues	12,174	20,000	20,000	(7,826)
State of Tennessee	2,392,350	2,481,229	2,510,500	(118,150)
Federal Government	281,047	460,000	430,729	(149,682)
Total Revenues	<u>\$ 3,159,232</u>	<u>\$ 3,439,872</u>	<u>\$ 3,439,872</u>	<u>\$ (280,640)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 168,011	\$ 180,330	\$ 191,030	\$ 23,019
Highway and Bridge Maintenance	1,375,605	1,605,298	1,711,798	336,193
Operation and Maintenance of Equipment	715,394	595,918	778,018	62,624
Quarry Operations	200,922	229,558	229,458	28,536
Other Charges	174,018	200,000	200,000	25,982
Employee Benefits	381,095	497,228	497,228	116,133
Capital Outlay	247,390	391,899	451,899	204,509
Total Expenditures	<u>\$ 3,262,435</u>	<u>\$ 3,700,231</u>	<u>\$ 4,059,431</u>	<u>\$ 796,996</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (103,203)</u>	<u>\$ (260,359)</u>	<u>\$ (619,559)</u>	<u>\$ 516,356</u>
Net Change in Fund Balance	\$ (103,203)	\$ (260,359)	\$ (619,559)	\$ 516,356
Fund Balance, July 1, 2020	<u>1,328,609</u>	<u>1,260,387</u>	<u>1,260,387</u>	<u>68,222</u>
Fund Balance, June 30, 2021	<u>\$ 1,225,406</u>	<u>\$ 1,000,028</u>	<u>\$ 640,828</u>	<u>\$ 584,578</u>

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

Exhibit D-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,069,749
Due from Other Governments	<u>208,793</u>
Total Assets	<u>\$ 1,278,542</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 208,793</u>
Total Liabilities	<u>\$ 208,793</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,069,749</u>
Total Net Position	<u><u>\$ 1,069,749</u></u>

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

Exhibit D-2

Overton 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	\$ 1,209,605
Fines/Fees and Other Collections	6,100,651
Total Additions	<u>\$ 7,310,256</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 1,209,605
Payments to State	2,909,196
Payments to County/City	1,480,683
Payments to Individuals and Others	1,957,892
Total Deductions	<u>\$ 7,557,376</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (247,120)
Net Position, July 1, 2020	0
Restatement - See Note I.D.10.	<u>1,316,869</u>
Net Position, June 30, 2021	<u>\$ 1,069,749</u>

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

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**OVERTON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Overton 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 Overton County:

**A. Reporting Entity**

Overton County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Overton County (the primary government) and its component units. The financial statements of the Overton/Pickett County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Overton County School Department operates the public school system in the county, and the voters of Overton 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 Overton County Health and Rehab Center provides residential nursing care to the citizens of Overton County, and the Overton County Commission appoints its governing body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the entity must obtain the county commission's approval.

The Overton/Pickett County Emergency Communications District was established with the merger of the Pickett County Emergency Communications District and the Overton County Emergency Communications District. The merger was adopted by both boards with an effective date of February 1, 2002. The board of the district includes 13 members: nine are appointed by the Overton County Commission, and the remaining four are appointed by the Pickett County Commission. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt, the district must obtain the county commission's approval. The financial statements of the Overton/Pickett County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Overton 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 Overton County Health and Rehab Center and the Overton/Pickett County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Overton County Health and Rehab Center  
318 Billbrey Street  
Livingston, TN 38570

Overton/Pickett County Emergency  
Communications District  
255 Industrial Drive  
Livingston, TN 38570

**Related Organization** – The Industrial Development Authority for Overton County provides assistance in industrial recruitment in Overton County, and the county commission appoints its seven-member board. Overton County did not contribute to the operations of the Industrial Development Authority during the year ended June 30, 2021.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a

significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Overton County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Overton 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.

Overton County issues all debt for the discretely presented Overton County School Department and the discretely presented Overton County Health and Rehab Center. There were no debt issues contributed by the county to the school department or the health and rehab center during the year ended June 30, 2021.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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



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

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

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.

Overton 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.

**Solid Waste/Sanitation Fund** – This special revenue fund accounts for transactions related to the disposal of Overton County’s solid waste.

Local taxes and general service charges are the foundational revenues of this fund.

**American Rescue Plan Fund** – This special revenue fund accounts for funding related to the American Rescue Plan Act Grant. Grant revenue is the foundational revenue of this fund.

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

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

Additionally, Overton County reports the following fund types:

**Capital Projects Funds** – These funds account for financial resources that are used for the acquisition or construction of capital facilities and other capital assets.

**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 Overton County.

The discretely presented Overton 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 Overton County School Department reports the following fund type:

**Debt Service Fund** – The Education Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs on debt issued by the primary government for the school department.

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.

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Overton County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Overton 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. Overton County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than the school department's investment in the TCRS Stabilization Trust, as discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to .8 percent of total taxes levied.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current

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

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

Most payables are disaggregated on the face of the financial statements.

**3. Inventories**

Inventories of the discretely presented Overton County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

**4. 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 Overton 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 Overton County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Overton 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.

**5. Capital Assets**

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

### **Primary Government**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads	20 - 50
Bridges	30 - 50

### **Discretely Presented Overton County School Department**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as land and buildings with a cost of more than \$1, and other assets with an initial, individual cost of \$2,500 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Other Capital Assets	5 - 30

**6. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension changes in experience and proportionate share of contributions; OPEB changes in experience, assumptions, and proportionate share of contributions; 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.

7. **Compensated Absences**

**Primary Government**

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon termination of employment for any purpose other than retirement, all unused sick leave will be forfeited. All vacation pay is accrued when incurred in the government-wide financial statements for the county.

**Discretely Presented Overton County School Department**

The general policy of the Overton County School Department permits employees to accumulate vacation and sick days beyond year-end. Non-certified 12-month support personnel earn vacation days that may be accumulated beyond year-end. School support personnel earn personal days and are compensated for any unused days before the end of each fiscal year. The general policy of the school department for professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. Upon retirement, employees have the option of applying accumulated sick leave toward retirement in the Tennessee Consolidated Retirement System or receiving a lump sum payment of \$20 per day for all days accumulated up to 200 days. Since the payment of sick leave is at the option of employees as they retire, the amount cannot be reasonably estimated and is not accrued in the government-wide financial statements for the county. All vacation pay is accrued when incurred in the government-wide financial statements for the discretely presented school department.

A liability for vacation pay is reported in governmental funds of the county and the school department only if amounts have matured, for example, as a result of employee resignations and retirements.

8. **Long-term Debt and Long-term Obligations**

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the



current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

## **9. Net Position and Fund Balance**

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

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

As of June 30, 2021, Overton County had \$6,012,214 in outstanding debt for the discretely presented Overton County School Department and \$7,150,000 in outstanding debt for the Overton County Health and Rehab Center. This debt is a liability of Overton County, but the capital assets acquired are reported in the financial statements of the school department and the health and rehab center.

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/Finance 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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

**10. 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 Overton County School Department. A

restatement of \$368,058 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, the beginning balance of these funds has been restated by \$1,316,869 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 Overton County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Overton 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 Overton 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 Overton County. For this purpose, Overton County recognizes benefit payments when due and payable in accordance with benefit terms. Overton County's OPEB plan is not administered through a trust.

**Discretely Presented Overton 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 Overton 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 Overton County School Department**

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

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

**Primary Government**

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

**Discretely Presented Overton County School Department**

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

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, the American Rescue Plan Fund which had no expenditures during the year, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

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

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 20,659
Solid/Waste Sanitation	41,669
School Department:	
Major Funds:	
General Purpose School	249,103
School Federal Projects	788,516

**B. Fund Deficit**

The School Federal Projects Fund (special revenue fund) of the discretely presented Overton County School Department had a deficit unassigned fund balance of \$125,090 at June 30, 2021. This deficit resulted from the issuance of purchase orders totaling \$788,516 where the corresponding reimbursements from the grantors had not been requested prior to June 30, 2021. The deficit unassigned fund balance was liquidated when revenues were recognized after June 30, 2021.

**C. Cash Shortage – Prior Year**

The State Comptroller issued a special report dated June 4, 2012, regarding allegations of suspected irregularities at the Millard Oakley Public Library, which is a department of the county's General Fund. The investigation revealed a cash shortage of \$5,600 at March 2, 2012, which was attributed to alleged illegal activity by the library's deputy director. Refunds by the bank and funds returned by the deputy director reduced the shortage to \$3,710 at March 26, 2012. On February 18, 2014, the defendant pled guilty to theft of property over \$1,000 and received a three-year sentence suspended to three years of supervised probation and 100 hours community service as well as being ordered to pay restitution of \$3,710. This shortage is not reflected in the financial statements of Overton County at June 30, 2021, due to the uncertainty of collection. Restitution of \$200 was received during the year examined leaving a balance of \$1,275 at June 30, 2021. Details of the shortage may be found on the Comptroller's website at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

**D. Investigation**

The Comptroller's Division of Investigations is currently reviewing certain operations of the Office of Overton County Clerk. Findings, if any, resulting from these reviews will be included in subsequent reports.

**E. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the county commission in the following major appropriations categories (the legal level of control) of the General Purpose School and School Federal Projects funds.

Major Appropriation Category	Amount Overspent
General Purpose School:	
Support Services - Attendance	\$ 8,777
Support Services - Health Services	11,637
Support Services - Board of Education	41,574
Support Services - Director of Schools	6,047
Support Services - Fiscal Services	57,373
Non-Instructional Services - Early Childhood Education	32,698
Capital Outlay - Regular Capital Outlay	3,803
School Federal Projects:	
Instruction - Career and Technical Education Program	355

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Purpose School Fund and other expenditures less than appropriations in the School Federal Projects Fund.

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

Overton County and the Overton County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

##### Deposits

**Legal Provisions.** All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

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

### **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee



(Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer’s Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2021, Overton County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Overton County and the discretely presented Overton County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Maturity	Amortized Cost
State Treasurer's Investment Pool	1 to 68 days	N/A	\$ 23,997,788

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

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

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer’s Investment Pool and the State Treasurer’s Intermediate Term Investment Fund can be

obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>.

**TCRS Stabilization Trust**

**Legal Provisions.** The Overton 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 Overton 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.

At June 30, 2021, the Overton 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	\$ 33,663
Developed Market International Equity	N/A	N/A	15,202
Emerging Market International Equity	N/A	N/A	4,344
U.S. Fixed Income	N/A	N/A	21,718
Real Estate	N/A	N/A	10,859
Short-term Securities	N/A	N/A	1,086
NAV - Private Equity and Strategic Lending	N/A	N/A	21,718
 Total			 \$ 108,590

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	\$ 700,401	\$ 0	\$ 0	\$ 700,401
Intangibles Assets - Indefinite Life	51,301	0	0	51,301
Construction in Progress	3,986,481	1,405,544	(3,986,481)	1,405,544
Total Capital Assets Not Depreciated	<u>\$ 4,738,183</u>	<u>\$ 1,405,544</u>	<u>\$ (3,986,481)</u>	<u>\$ 2,157,246</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,814,471	\$ 4,688,906	\$ 0	\$ 15,503,377
Infrastructure	15,017,604	209,525	0	15,227,129
Other Capital Assets	7,955,487	1,248,088	(316,405)	8,887,170
Total Capital Assets Depreciated	<u>\$ 33,787,562</u>	<u>\$ 6,146,519</u>	<u>\$ (316,405)</u>	<u>\$ 39,617,676</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,551,675	\$ 266,989	\$ 0	\$ 4,818,664
Infrastructure	4,441,103	96,989	0	4,538,092
Other Capital Assets	5,760,409	358,131	(256,886)	5,861,654
Total Accumulated Depreciation	<u>\$ 14,753,187</u>	<u>\$ 722,109</u>	<u>\$ (256,886)</u>	<u>\$ 15,218,410</u>
Total Capital Assets Depreciated, Net	<u>\$ 19,034,375</u>	<u>\$ 5,424,410</u>	<u>\$ (59,519)</u>	<u>\$ 24,399,266</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,772,558</u>	<u>\$ 6,829,954</u>	<u>\$ (4,046,000)</u>	<u>\$ 26,556,512</u>

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

**Governmental Activities:**

General Government	\$	113,040
Finance		2,132
Public Safety		195,948
Public Health and Welfare		237,348
Social, Cultural, and Recreational Services		28,475
Highways/Public Works		<u>145,166</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>722,109</u></u>

**Discretely Presented Overton County School Department**

**Governmental Activities:**

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 574,963	\$ 0	\$ 0	\$ 574,963
Total Capital Assets Not Depreciated	<u>\$ 574,963</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 574,963</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 23,894,657	\$ 0	\$ 0	\$ 23,894,657
Infrastructure	963,193	0	0	963,193
Other Capital Assets	3,537,633	485,896	(229,300)	3,794,229
Total Capital Assets Depreciated	<u>\$ 28,395,483</u>	<u>\$ 485,896</u>	<u>\$ (229,300)</u>	<u>\$ 28,652,079</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 12,275,300	\$ 464,978	\$ 0	\$ 12,740,278
Infrastructure	413,533	22,691	0	436,224
Other Capital Assets	2,019,653	207,893	(222,421)	2,005,125
Total Accumulated Depreciation	<u>\$ 14,708,486</u>	<u>\$ 695,562</u>	<u>\$ (222,421)</u>	<u>\$ 15,181,627</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,686,997</u>	<u>\$ (209,666)</u>	<u>\$ (6,879)</u>	<u>\$ 13,470,452</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 14,261,960</u></u>	<u><u>\$ (209,666)</u></u>	<u><u>\$ (6,879)</u></u>	<u><u>\$ 14,045,415</u></u>

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

**Governmental Activities:**

Instruction	\$ 483,544
Support Services	<u>212,018</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 695,562</u>

**C. Construction Commitments**

At June 30, 2021, the county had uncompleted construction contracts of approximately \$519,688 for bridge projects. Funding for these future expenditures is expected to be received from debt issued by the county.

**D. 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	\$ 13,867
General Debt Service	General	23,838
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	120,588

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.

A portion of the receivable in the discretely presented General Purpose School Fund totaling \$20,588 was in transit from the Central Cafeteria Fund at June 30, 2021.

**Due to/from Primary Government and Component Units:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:	Component Units:	
Governmental Activities	School Department	\$ 6,012,214
"	Health and Rehab Center	7,150,000

The amounts reflected as Due to the Primary Government from the discretely presented component units on the government-wide Statement of Net Position

represent debt issued by the primary government for the component units, the principal of which is being contributed by the component units to the primary government to retire the debt.

**Interfund Transfers:**

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

**Primary Government**

Transfer Out	Transfer In	
	General Fund	Purpose
Solid Waste/Sanitation Fund	\$ 32,000	Operations

**Discretely Presented Overton County School Department**

Transfers Out	Transfers In			Purpose
	General Purpose School Fund	School Federal Projects Fund	Nonmajor Govern-mental Fund	
General Purpose School Fund	\$ 0	\$ 0	\$ 672,109	Debt retirement
"	0	500,000	0	Cash flow
School Federal Projects Fund	23,527	0	0	Indirect cost
Total	\$ 23,527	\$ 500,000	\$ 672,109	

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.

**E. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

General Obligation Bonds - Overton County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government, the discretely presented school department, and the discretely presented Overton County Health and Rehab Center. 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 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Overton County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government, the discretely presented school department and the discretely presented Overton County Health and Rehab Center. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were each issued for original terms of up to nine years for notes and 13 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

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

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds	2.58 to 2.91 %		4-1-42	\$ 9,115,000	\$ 7,150,000
General Obligation Bonds - Refunding	2 to 4		6-1-25	6,325,000	4,590,250
Direct Borrowing and Direct Payment:					
Capital Outlay Notes	2.675 to 3.124		5-1-27	5,320,000	2,370,000
Other Loans	1		6-1-32	2,925,917	2,711,964

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 1,550,000	\$ 386,442	\$ 1,936,442
2023	1,600,000	337,413	1,937,413
2024	1,665,000	278,150	1,943,150
2025	1,210,250	216,369	1,426,619
2026	385,000	170,719	555,719
2027-2031	2,120,000	688,271	2,808,271
2032-2036	1,625,000	386,250	2,011,250
2037-2041	1,300,000	175,662	1,475,662
2042	285,000	9,263	294,263
Total	\$ 11,740,250	\$ 2,648,539	\$ 14,388,789

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2022	\$ 655,000	\$ 72,139	\$ 727,139
2023	455,000	52,907	507,907
2024	445,000	39,003	484,003
2025	455,000	25,168	480,168
2026	320,000	11,250	331,250
2027	40,000	1,250	41,250
Total	\$ 2,370,000	\$ 201,717	\$ 2,571,717

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2022	\$ 235,356	\$ 26,592	\$ 261,948
2023	237,720	24,228	261,948
2024	240,108	21,840	261,948
2025	242,520	19,428	261,948
2026	244,956	16,992	261,948
2027-2031	1,264,368	47,532	1,311,900
2032	246,936	1,848	248,784
Total	\$ 2,711,964	\$ 158,460	\$ 2,870,424

There is \$1,209,321 available in the General Debt Service Fund and \$1,251,062 in the school department's Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$522, based on the 2020 federal census. Total debt per capita, including bonds, notes, and other loans, totaled \$747, based on the 2020 federal census.



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

Description of Debt	Outstanding 6-30-21
<u>Bonds Payable</u>	
<u>Contributions from the Health and Rehab Center</u>	
Nursing Home Improvements	\$ 2,635,000
Nursing Home Renovation and Construction	4,515,000
<u>Contributions from the Education Debt Service Fund</u>	
School Refunding Series 2015	3,300,250
<u>Other Loans Payable - Direct Placement</u>	
<u>Contributions from the Education Debt Service Fund</u>	
Tennessee Energy Efficiency School Initiative Loan	<u>2,711,964</u>
Total	<u><u>\$ 13,162,214</u></u>

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans Direct Placement
Balance, July 1, 2020	\$ 13,230,250	\$ 2,455,000	\$ 2,925,917
Additions	0	1,900,000	0
Reductions	(1,490,000)	(1,985,000)	(213,953)
Balance, June 30, 2021	<u>\$ 11,740,250</u>	<u>\$ 2,370,000</u>	<u>\$ 2,711,964</u>
Balance Due Within One Year	<u>\$ 1,550,000</u>	<u>\$ 655,000</u>	<u>\$ 235,356</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 16,822,214
Less: Balance Due Within One Year - Debt	<u>(2,440,356)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 14,381,858</u>

**F. Long-term Obligations**

Changes in Long-term Obligations

**Primary Government**

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

Governmental Activities:	Other Postemployment Benefits	Compensated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2020	\$ 425,483	\$ 129,081	\$ 34,088
Additions	120,045	273,052	31,445
Reductions	<u>(65,161)</u>	<u>(262,493)</u>	<u>(39,507)</u>
Balance, June 30, 2021	<u>\$ 480,367</u>	<u>\$ 139,640</u>	<u>\$ 26,026</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 104,733</u>	<u>\$ 8,675</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, Other - June 30, 2021	\$ 646,033
Less: Balance Due Within One Year - Other	<u>(113,408)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 532,625</u>

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

**Discretely Presented Overton County School Department**

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2020	\$ 4,040,623	\$ 152,140
Additions	1,035,585	27,544
Reductions	(206,558)	(85,219)
	<hr/>	<hr/>
Balance, June 30, 2021	<u>\$ 4,869,650</u>	<u>\$ 94,465</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 27,544</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, Other - June 30, 2021	\$ 4,964,115
Less: Balance Due Within One Year - Other	<u>(27,544)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,936,571</u>

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

**G. On-Behalf Payments**

**Discretely Presented Overton County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Overton County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are 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 and the Medicare Supplement Plan for the year ended June 30, 2021, were \$93,806 and \$41,949, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

The discretely presented Overton County School Department issued revenue anticipation notes in advance of grant revenues and deposited the proceeds in the Central Cafeteria Fund. These notes were necessary because funds were not available for cash flow purposes. These loans were not approved by the county commission or the state Comptroller's Office as required by state statutes. Details of these transactions are discussed in the Findings and

Questioned Costs section of this report. Short-term debt activity for the year ended June 30, 2021, was as follows:

	Balance 7-1-20	Issued	Paid	Balance 6-30-21
Revenue Anticipation Notes \$	0 \$	87,000 \$	(87,000) \$	0

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

The county is exposed to various risks related to general liability, property, and casualty losses. During 2021, the county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

Overton 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.

Overton County provides health insurance coverage to its employees through 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, *Tennessee Code Annotated (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 the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

## **Discretely Presented Overton County School Department**

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

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

### **B. Accounting Changes**

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

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

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

### **C. Contingent Liabilities**

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for

expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

The county is involved in several other pending lawsuits. Attorneys representing the county estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

**D. Change in Administration**

On January 12, 2021, Mark Winningham left the Office of Director of Schools and was succeeded by Donnie Holman.

**E. Landfill Postclosure Care Costs**

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

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Overton County closed its landfill in 1994. The Solid Waste/Sanitation Fund reports the postclosure care costs of the closed landfill as expenditures in each period in which they are incurred. The \$26,026 reported as landfill postclosure care liability at June 30, 2021, represents the net amount reported to date based on 100 percent use of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Venture**

The Thirteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Thirteenth Judicial District, Clay, Cumberland, DeKalb, Overton, Pickett, Putnam, and White counties, and participating municipalities within the district. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Overton County did not make appropriations to the DTF for the year ended June 30, 2021. Overton County does not have an equity interest in the DTF. Complete

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

Administrative Office:

Office of District Attorney General  
Thirteenth Judicial District Drug Task Force  
1519A East Spring Street  
Cookeville, TN 38506

**G. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Overton County, non-certified employees of the discretely presented Overton County School Department, and employees of the discretely presented Overton County Health and Rehab Center are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 48.28 percent, the non-certified employees of the discretely presented school department comprise 28.45 percent, and the discretely presented Overton County Health and Rehab Center comprise 23.27 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	236
Inactive Employees Entitled to But Not Yet Receiving Benefits	566
Active Employees	<u>411</u>
Total	<u><u>1,213</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. Overton 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 Overton County was \$657,280 based on a rate of 5.37 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Overton 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)**

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

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

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

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

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2019	\$ 31,746,761	\$ 34,083,021	\$ (2,336,260)
Changes for the Year:			
Service Cost	\$ 1,100,415	\$ 0	\$ 1,100,415
Interest	2,323,783	0	2,323,783
Differences Between Expected and Actual Experience	62,577	0	62,577
Contributions-Employer	0	637,631	(637,631)
Contributions-Employees	0	587,516	(587,516)
Net Investment Income	0	1,680,589	(1,680,589)
Benefit Payments, Including Refunds of Employee Contributions	(1,589,980)	(1,589,980)	0
Administrative Expense	0	(36,796)	36,796
Net Changes	\$ 1,896,795	\$ 1,278,960	\$ 617,835
Balance, June 30, 2020	\$ 33,643,556	\$ 35,361,981	\$ (1,718,425)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 48.28%	\$ 16,243,109	\$ 17,072,764	\$ (829,656)
School Department 28.45%	9,571,592	10,060,484	(488,892)
Health and Rehab Ctr. 23.27%	7,828,855	8,228,733	(399,877)
Total	\$ 33,643,556	\$ 35,361,981	\$ (1,718,425)

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

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

Net Pension Liability (Asset) \$ 2,710,991 \$ (1,718,425) \$ (5,381,995)

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

*Pension Expense.* For the year ended June 30, 2021, Overton County recognized pension expense of \$424,639.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2021, Overton 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	\$ 67,109	\$ 285,393
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	255,028	0
Changes in Assumptions	129,612	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	657,280	N/A
Total	<u>\$ 1,109,029</u>	<u>\$ 285,393</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 528,985	\$ 137,788
School Department	318,779	81,194
Health and Rehab Center	261,265	66,411
Total	<u>\$ 1,109,029</u>	<u>\$ 285,393</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	\$ (78,787)
2023	(21,302)
2024	98,750
2025	167,689
2026	0
Thereafter	0

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

**Discretely Presented Overton County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Overton County, non-certified employees of the discretely presented Overton County School Department, and employees of the discretely presented Overton County Health and Rehab Center are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 48.28 percent, the non-certified employees of the discretely presented school department comprise 28.45 percent, and the discretely

presented Overton County Health and Rehab Center comprise 23.27 percent of the plan based on contribution data.

### **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Overton 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 \$34,752, which is 2.02 percent of covered payroll. In addition, employer contributions of \$33,217, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2021, the school department reported a liability (asset) of (\$67,601) 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 .118881 percent. The proportion as of June 30, 2019, was .122466 percent.

*Pension Expense.* For the year ended June 30, 2021, the school department recognized pension expense of \$27,445.

*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	\$ 2,511	\$ 16,941
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,507	0
Changes in Assumptions	2,120	0
Changes in Proportion of Net Pension Liability (Asset)	3,638	2,427
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	34,752	N/A
Total	<u>\$ 48,528</u>	<u>\$ 19,368</u>

The school department's employer contributions of \$34,752, 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	\$ (443)
2023	353
2024	759
2025	875
2026	(991)
Thereafter	(6,145)

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

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



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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 52,582 \$ (67,601) \$ (156,191)

*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 Overton 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 Pension 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 Overton County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$1,130,043 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 (\$2,487,196) 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 .326158 percent. The proportion measured at June 30, 2019, was .331847 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of (\$57,302).

*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	\$ 94,552	\$ 1,195,799
Changes in Assumptions	225,950	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	555,490	0
Changes in Proportion of Net Pension Liability (Asset)	20,234	8,727
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	1,130,043	N/A
Total	<u>\$ 2,026,269</u>	<u>\$ 1,204,526</u>

The school department's employer contributions of \$1,130,043 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	\$ (614,531)
2023	(83,113)
2024	21,371
2025	367,972
2026	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

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

Net Pension Liability (Asset)    \$ 7,735,123    \$ (2,487,196)    \$ (10,963,899)

*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**

**Primary Government**

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

**Discretely Presented Overton County School Department**

The discretely presented Overton County School Department offers its employees two deferred compensation plans, each established pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$74,371 and teachers contributed \$16,990 to this deferred compensation pension plan.



**H. Other Postemployment Benefits (OPEB)**

Overton County and the discretely presented Overton County School Department provide OPEB benefits to its retirees through state administered public entity risk pools. For reporting purposes, the plans are considered single employer defined benefit OPEB plans 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 Overton County and the Overton County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes. 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 Overton County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

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	LGPs and LEP- 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, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 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 Plans (Primary Government)**

*Plan Description.* Employees of Overton County who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through closed Local Government Plans (LGPs) 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 LGPs.

*Benefits Provided.* Overton County offers the LGPs 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 LGPs upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA

8-27-701 establishes and amends the benefit terms of the LGPs. 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 LGPs, 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. Overton 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:

	<u>Overton County</u>	<u>Hwy Dept</u>	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	0	0	0
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0	0	0
Active Employees Eligible for Benefits	<u>135</u>	<u>18</u>	<u>153</u>
Total	<u><u>135</u></u>	<u><u>18</u></u>	<u><u>153</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGPs 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 \$1,591 (Overton County - \$1,019, Highway Dept - \$572) to the LGPs for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Overton County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2019	\$ 177,010	\$ 55,557	\$ 232,567
Changes for the Year:			
Service Cost	\$ 23,817	\$ 6,804	\$ 30,621
Interest	6,831	2,176	9,007
Difference between Expected and Actuarial Experience	(9,578)	(10,646)	(20,224)
Changes in Assumption and Other Inputs	19,278	4,232	23,510
Benefit Payments	(12,533)	(757)	(13,290)
Net Changes	<u>\$ 27,815</u>	<u>\$ 1,809</u>	<u>\$ 29,624</u>
Balance June 30, 2020	<u>\$ 204,825</u>	<u>\$ 57,366</u>	<u>\$ 262,191</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 \$28,258 (Overton County - \$22,554, Highway Dept - \$5,704). At June 30, 2021, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (DO - County \$14,501, Hwy \$0) (DI - County \$78,388, Hwy \$23,022)	\$ 14,501	\$ 101,410
Changes of Assumptions/Inputs (DO - County \$31,607, Hwy \$8,693) (DI - County \$5,753, Hwy \$1,392)	40,300	7,145
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2020 (DO - County \$1,019, Hwy \$572)	<u>1,591</u>	<u>0</u>
Total	<u>\$ 56,392</u>	<u>\$ 108,555</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	County	Hwy	Total Amount
2022	\$ (8,094)	\$ (3,276)	\$ (11,370)
2023	(8,094)	(3,276)	(11,370)
2024	(8,094)	(3,276)	(11,370)
2025	(8,094)	(3,276)	(11,370)
2026	(8,094)	(1,981)	(10,075)
Thereafter	2,437	(636)	1,801

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 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
County	\$ 223,461	\$ 204,825	\$ 187,477
Hwy	61,491	57,366	53,401
Total OPEB Liability	<u>\$ 284,952</u>	<u>\$ 262,191</u>	<u>\$ 240,878</u>

*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:

<u>Healthcare Cost Trend Rate</u>	1% Decrease		Current Trend Rates		1% Increase	
	8.02 to 3.5%		9.02 to 4.5%		10.02 to 5.5%	
County	\$	177,663	\$	204,825	\$	237,511
Hwy		50,925		57,366		64,968
Total OPEB Liability	\$	228,588	\$	262,191	\$	302,479

**Tennessee Plan – Medicare (Primary Government)**

*Plan Description.* Employees of Overton County and the Overton County Highway Department who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan – Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. This plan was closed to the employees of all participating employers that were hired on or after July 1, 2015. The county and highway department’s total OPEB liability for the TNM Plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

*Benefits Provided.* The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65 are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Overton County provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$20 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

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

	Overton County	Hwy Dept.	Total
Inactive Employees Currently Receiving Benefit Payments	9	0	9
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	11	0	11
Active Employees Eligible for Benefit Payments	<u>123</u>	<u>18</u>	<u>141</u>
Total	<u>143</u>	<u>18</u>	<u>161</u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301, and 8-27-701 determine the required payments to the plan by member employers and 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. For the fiscal year ended June 30, 2021, the county paid \$3,182 (\$3,163 county and \$19 highway department) to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Overton County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2019	\$ 176,617	\$ 16,299	\$ 192,916
Changes for the Year:			
Service Cost	\$ 7,426	\$ 855	\$ 8,281
Interest	6,385	598	6,983
Difference between Expected and Actuarial Experience	(25,749)	(1,346)	(27,095)
Changes in Assumption and Other Inputs	37,683	3,960	41,643
Benefit Payments	<u>(4,296)</u>	<u>(256)</u>	<u>(4,552)</u>
Net Changes	<u>\$ 21,449</u>	<u>\$ 3,811</u>	<u>\$ 25,260</u>
Balance June 30, 2020	<u>\$ 198,066</u>	<u>\$ 20,110</u>	<u>\$ 218,176</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2021, the county recognized net OPEB expense of \$26,976 (\$25,188 county and \$1,788 highway department).

At June 30, 2021, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (Overton County \$249,833, Hwy \$1,173)	\$ 0	\$ 251,006
Changes of Assumptions/Inputs		
DO (Overton County \$36,298, Hwy \$3,452)	39,750	29,242
DI (Overton County \$29,242, Hwy \$0)		
Net Difference Between Projected and Benefits Paid After the Measurement Date (Overton County \$3,163 Hwy \$19)	<u>3,182</u>	<u>0</u>
Total	<u>\$ 42,932</u>	<u>\$ 280,248</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	County	Hwy	Total Amount
2022	\$ (38,999)	\$ 335	\$ (38,664)
2023	(38,999)	335	(38,664)
2024	(38,999)	335	(38,664)
2025	(38,999)	335	(38,664)
2026	(38,999)	335	(38,664)
Thereafter	(47,782)	604	(47,178)

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>	Current		
	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Overton County Hwy Dept.	\$ 233,901 23,787	\$ 198,066 20,110	\$ 169,003 17,090
Total OPEB Liability	\$ 257,688	\$ 218,176	\$ 186,093

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

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

*Plan Description.* Employees of the Overton 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 Overton County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Overton County does not provide a direct subsidy and is only subject to the implicit subsidy. 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:

	<u>School Department</u>
Inactive Employees Currently Receiving Benefit Payments	24
Inactive Employees Entitled to But not Yet Receiving Benefit Payments	
Active Employees Eligible for Benefit Payments	0
	<u>303</u>
Total	<u><u>327</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$162,341 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Overton County School Department 68.55%</u>	<u>State of TN 31.45%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 3,652,061	\$ 1,781,720	\$ 5,433,781
Changes for the Year:			
Service Cost	\$ 161,378	\$ 74,038	\$ 235,416
Interest	133,495	61,246	194,741
Difference between Expected and Actuarial Experience	274,537	125,954	400,491
Change in Proportion Changes in Assumption and Other Inputs	72,885	(72,885)	0
Benefit Payments	503,331	230,923	734,254
Net Changes	(167,346)	(76,777)	(244,123)
	<u>\$ 978,279</u>	<u>\$ 342,500</u>	<u>\$ 1,320,779</u>
Balance June 30, 2020	<u>\$ 4,630,340</u>	<u>\$ 2,124,220</u>	<u>\$ 6,754,560</u>

The Overton 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 Overton County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$155,313 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees.

During the year, the Overton County School Department's proportionate share of the collective OPEB liability was 68.55% and the State of Tennessee's share was 31.45%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2021, the school department recognized OPEB expense of \$555,699, 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	\$ 585,696	\$ 64,505
Changes of Assumptions/Inputs	521,078	347,320
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	242,034	89,224
Benefits Paid After the Measurement Date of June 30, 2020	<u>162,341</u>	<u>0</u>
Total	<u>\$ 1,511,149</u>	<u>\$ 501,049</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	\$ 105,508
2023	105,508
2024	105,508
2025	105,508
2026	105,508
Thereafter	320,219

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 \$ 4,982,910 \$ 4,630,340 \$ 4,291,776

*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 \$ 4,104,456 \$ 4,630,340 \$ 5,249,500

## **Closed Tennessee Plan – Medicare (Discretely Presented School Department)**

*Plan Description.* Employees of the Overton County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department's total OPEB liability for the TNM Plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date

*Benefits Provided.* The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Overton County School Department provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$37.50, and retirees with 15-19 years of service receive \$25. The state, as a governmental nonemployer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. The State of Tennessee provides a subsidy of \$50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive \$37.50, and retirees with 15-19 years of service receive \$25.

### Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees Currently Receiving Benefit Payments	87
Inactive Employees Entitled to But not Yet Receiving Benefit Payment	33
Active Employees Eligible for Benefit Payments	<u>333</u>
Total	<u><u>453</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and 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. For the fiscal year ended June 30, 2021, the school department paid \$7,634 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Overton County School Department</u>	<u>State of TN</u>	<u>Total OPEB Liability</u>
	15.40%	84.60%	
Balance July 1, 2019	\$ 388,562	\$ 1,069,398	\$ 1,457,960
Changes for the Year:			
Service Cost	\$ 5,251	\$ 28,849	\$ 34,100
Interest	7,935	43,590	51,525
Changes in Benefit Terms	(30,657)	(168,412)	(199,069)
Difference between Expected and Actuarial Experience	(1,068)	(5,867)	(6,935)
Changes in Proportion	(164,091)	164,091	0
Changes in Assumption and Other Inputs	40,864	224,489	265,353
Benefit Payments	(7,487)	(41,131)	(48,618)
Net Changes	<u>\$ (149,252)</u>	<u>\$ 245,608</u>	<u>\$ 96,356</u>
Balance June 30, 2020	<u>\$ 239,310</u>	<u>\$ 1,315,006</u>	<u>\$ 1,554,316</u>

The Overton County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retirees participating in the TNM. The Overton County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB Statement No. 75 to recognized revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. The school department recognized \$44,095 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Overton County School Department's proportionate share of the collective OPEB liability was 15.4 percent and the State of Tennessee's share was 84.6 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2021, the school department recognized negative OPEB expense of (\$125,395) including the state's share of the OPEB 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	\$ 32,308
Changes of Assumptions/Inputs	59,849	21,187
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	201,489	903,988
Benefits Paid After the Measurement Date of June 30, 2020	<u>7,634</u>	<u>0</u>
Total	<u>\$ 268,972</u>	<u>\$ 957,483</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2022	\$ (152,023)
2023	(152,023)
2024	(152,023)
2025	(152,023)
2026	(82,725)
Thereafter	(5,328)

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 TNM, 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 1-percentage-point lower or 1-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 \$ 278,512 \$ 239,210 \$ 207,539

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

**I. Office of Central Accounting and Budgeting**

Office of Director of Accounts and Budgets

Overton County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and highway superintendent. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.



**J. Purchasing Laws**

Offices of County Executive and Highway Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the highway department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the purchasing agent to make all purchases for these departments, with purchases exceeding \$10,000 to be made on the basis of competitive bids solicited through public advertisement. On December 11, 2017, the county commission approved an increase in the bid limit to \$25,000. The county executive serves as purchasing agent for Overton County.

Office of Director of Schools

Purchasing procedures for the discretely presented Overton County School Department are governed by purchasing laws applicable to the 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 the chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**K. Subsequent Events**

Beginning July 1, 2021, employees retiring from the county and highway department will receive contributions toward health insurance premiums at the same rate as active employees until the retiree is eligible for Medicare. The retiree must be at least 55 years old, worked for the county for at least ten years, and have health insurance with the county for at least three years prior to retirement.

On November 17, 2021, the county issued capital outlay notes totaling \$195,000 for road and bridge projects.

On February 9, 2022, the county issued USDA general obligation bonds totaling \$203,000 for the purchase and equipping of ambulances.

On February 14, 2022, the county commission approved the transfer of \$5,807,718 from the discretely presented General Purpose School Fund to the Education Capital Projects Fund for the construction of a football stadium.

VI. **OTHER NOTES – DISCRETELY PRESENTED OVERTON COUNTY HEALTH AND REHAB CENTER**

A. **Summary of Significant Accounting Policies**

This summary of significant accounting policies of Overton County Health and Rehab Center is presented to assist in understanding the center's financial statements. The financial statements and notes are representations of the center's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

**Organization**

Overton County Health and Rehab Center is a nonprofit corporation chartered under the laws of the State of Tennessee on April 5, 1962, operating as a political subdivision of Overton County, Tennessee (the county). The purpose of the center is to provide nursing care to residents primarily from the Overton County area. The corporation is managed by a board of five directors who are county commissioners, appointed by the Overton County Commission.

**Financial Reporting Entity – Component Unit**

The center is a component unit of the primary government of Overton County, Tennessee. The center reports its financial information separately from Overton County; however, the county in its financial report also presents the center's financial information.

Legally, the center is a separate nonprofit entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected but instead is entirely appointed by the county's Board of Commissioners, and the county is contingently liable for all of the center's debt obligations, the center cannot be a primary government. Instead, it qualifies as a component unit according to the directives of the Governmental Accounting Standards Board (GASB).

The GASB specifies that component units must be legally separate organizations, which have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. One of these activities is to issue bonded debt without approval by another government. Overton County Health and Rehab Center may not issue debt without Overton County, Tennessee's approval, and the county remains contingently liable for all debt obligations. Because the center is both a legal entity and financially accountable to the primary government of Overton County as the county commission appoints all members of the governing board and by the nature of its fiscal dependence on Overton County as described above, it is a component unit of Overton County, Tennessee.

At June 30, 2021, there was an amount due to Overton County. This is described in detail in Note VI.J. The center did not engage in any other activities that were subject to the approval of Overton County.

### Basis of Presentation

The financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

As a component unit of Overton County, the accounts of the center are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the center's assets, liabilities, net position, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured by a pledge of the net revenues from fees and charges of the activity, or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the center is determined by its measurement focus. The transactions of the center are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net position (i.e., total assets plus net deferred outflows net of total liabilities and net deferred inflows) is segregated into net investment in capital assets, restricted for capital projects, and unrestricted components.

When both restricted and unrestricted resources are available for use, it is the center's policy to use restricted resources first and then unrestricted resources as they are needed.

### Cash Flow - Cash and Cash Equivalents

Overton County Health and Rehab Center presents its cash flow statement using the direct method. For purposes of cash flow presentation, the center considers cash in operating bank accounts, cash on hand, and certificates of deposit that have original maturities of three months or less as cash and cash equivalents. At June 30, 2021, there were no certificates of deposit that qualified as cash equivalents.

### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount that the center expects to collect from outstanding balances. The center provides for probable uncollectible

amounts through a provision for bad debt expense and an adjustment to a valuation allowance based upon a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for doubtful accounts was \$102,000 at June 30, 2021. Account balances are charged against the allowance after reasonable collection efforts have been exhausted and the potential for recovery is considered remote.

### Net Patient Revenue

Gross patient revenue is recorded on an accrual basis based on services rendered at amounts equal to established rates. Allowances for contractual adjustments are recorded for the differences between established rates and amounts estimated to be paid by the Medicare and Medicaid programs and other third-party payors. Contractual adjustments are deducted from gross patient revenue to determine net patient revenue. Amounts paid under the Medicare and Medicaid programs are generally based on fixed rates per patient day, adjusted prospectively. All amounts earned under the Medicare, Medicaid, and other governmental programs are subject to review by the third-party payors. Any differences between estimated settlements and final determinations are reflected in operations in the year finalized.

### Property and Equipment

Property and equipment are stated at cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Purchases of assets with useful lives greater than one year and costing more than \$1,000 are capitalized. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. The center estimates the useful lives of the respective classes of plant and equipment as follows:

<u>Assets</u>	<u>Years</u>
Land and Improvements	5 - 20
Buildings and Improvements	5 - 50
Transportation Equipment	4 - 5
Equipment	3 - 25

Maintenance and repairs are charged to operations when incurred. The center eliminates the costs and related allowances from the accounts for properties sold or retired, and any resulting gains or losses are included in income.

### Accrued Vacation

Employees of the center earn vacation by a prescribed formula based on length of service. Employees of the center accrue vacation pay when earned.

## Pensions

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

## Other Postemployment Benefit (OPEB) Plans

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

## 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) until then. The center has items that include actuarial losses related to the differences between expected and actual experience for the pension plan's adopted economic and demographic assumptions, changes in actuarial assumptions that result in an actuarial loss, and employer contributions to the pension plan. In addition, employer payments of the OPEB plan are included in deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The center has items that include actuarial gains related to differences between expected and actual experience for the pension plan's adopted economic and demographic assumptions and differences between projected and actual earnings on pension plan investments. In addition, the center has changed in actuarial assumptions that result in an actuarial gain on the OPEB plans that are included in deferred inflows of resources.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Income Taxes

The Internal Revenue Service has determined that the center is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

### Operating Revenues and Expenses

The center's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its principal ongoing operations. All other revenues and expenses are reported as nonoperating revenues and expenses and consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

### Recently Adopted Accounting Standards

During the fiscal year ended June 30, 2021, the center early implemented GASB Statement No. 89, *Accounting for Interest 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 on debt to construct assets is no longer included in the historical cost of a capital asset. There was no effect on the center's opening net position, as the standard is applied on a prospective basis.

During the fiscal year ended June 30, 2021, the center implemented GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The center has elected to report their patient funds, as described in Note C, as assets of the center with a corresponding liability in the statement of new position that otherwise should be reported in a custodial fund, as most of the assets upon receipt, are normally expected to be held for three months or less. In addition, management considers the funds to be immaterial.

### Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued.

**B. Cash and Certificates of Deposit**

The center does not have a formal policy regarding types of investments authorized. State statutes authorize the center to make investments in bonds, notes, or treasury bills of the United States, Federal Loan Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks or cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2021, the board of directors chose to limit the investment of funds to demand deposits and certificates of deposit accounts at banking institutions.

At June 30, 2021, the carrying amount of cash deposits, including patient funds, was \$2,009,360, and the bank balance was \$2,146,227. At June 30, 2021, the carrying amount of the certificate of deposit was \$2,153,763, and the bank balance was \$2,153,763.

For deposits with financial institutions, the center follows state statutes which require pledged collateral with a fair value equal to 105 percent of the funds on deposit, less insured amounts. At June 30, 2021, the entire bank balance was covered by federal depository insurance, or pledged securities held as collateral in another institution in the name of the center.

**C. Patient Funds Held in Trust**

At June 30, 2021, the center held funds totaling \$34,993 on behalf of the residents.

The center is required to maintain a cash account as a depository for patient funds. The fund is restricted in use and can be used only for providing spending money for patients, purchasing supplies for patients with cash in the fund, or paying amounts due to the center for patient care, provided the amount does not include monies stipulated for patients' use only. All funds in excess of \$100 per recipient are required to be placed in an insured interest-bearing account.

In accordance with recent accounting guidance, GASB 84, *Fiduciary Activities*, the center has elected to report these patient funds as assets of the center with a corresponding center liability, as most of the assets upon receipt, are normally expected to be held for three months or less. In addition, management considers the funds to be immaterial.

**D. Concentration of Credit Risk**

The center grants credits without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows:

Medicaid	47.33	%
Medicare	26.80	
Insurance	14.68	
Private	11.19	

**E. Capital Assets**

Capital assets are summarized as follows:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 115,000	\$ 0	\$ 0	\$ 115,000
Construction in Progress	3,820,437	3,364,556	0	7,184,993
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 3,935,437</b>	<b>\$ 3,364,556</b>	<b>\$ 0</b>	<b>\$ 7,299,993</b>
Capital Assets Depreciated:				
Land/Improvements	\$ 106,849	\$ 0	\$ 0	\$ 106,849
Buildings/Improvements	8,743,962	48,383	(48,590)	8,743,755
Tranportation Equipment	59,597	0	(26,021)	33,576
Equipment	1,051,240	35,460	(9,086)	1,077,614
<b>Total Capital Assets Depreciated</b>	<b>\$ 9,961,648</b>	<b>\$ 83,843</b>	<b>\$ (83,697)</b>	<b>\$ 9,961,794</b>
Less Accumulated Depreciation For:				
Land/Improvements	\$ 81,233	\$ 5,495	\$ 0	\$ 86,728
Buildings/Improvements	2,956,471	219,625	(48,590)	3,127,506
Tranportation Equipment	52,159	4,500	(26,021)	30,638
Equipment	801,857	44,283	(9,086)	837,054
<b>Total Accumulated Depreciation</b>	<b>\$ 3,891,720</b>	<b>\$ 273,903</b>	<b>\$ (83,697)</b>	<b>\$ 4,081,926</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 6,069,928</b>	<b>\$ (190,060)</b>	<b>\$ 0</b>	<b>\$ 5,879,868</b>
Business-type Activities Capital Assets, Net	\$ 10,005,365	\$ 3,174,496	\$ 0	\$ 13,179,861

**F. Pension Plan**

*Plan Description.* Employees of Overton County Health and Rehab Center are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (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>. Since Overton County Health and Rehab Center is a component unit of Overton County and does not have its own distinct agent multiple-employer pension plan, the plan is treated as a cost-sharing plan for purposes of Overton County Health and Rehab Center's stand-alone financial statements.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*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. Overton County Health and Rehab 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, the employer contributions for Overton County Health and Rehab Center were \$156,143 based on a rate of 5.41 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Overton County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution 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), Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Assets.* At June 30, 2021, Overton County Health and Rehab Center reported an asset of \$399,878 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020, and the total pension liability used to calculate net pension asset was determined by an actuarial valuation as of that date. Overton County Health and Rehab Center’s proportion of the net pension asset was based on a projection of Overton County Health and Rehab Center’s contributions to the pension plan relative to the contributions of all participating entities. At the measurement date of June 30, 2020, Overton County Health and Rehab Center’s proportion was 23.27 percent. The proportion measured as of June 30, 2019, was 28.28 percent.

*Pension Expense.* For the year ended June 30, 2021, Overton County Health and Rehab Center recognized pension expense of \$98,814.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2021, Overton County Health and Rehab 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
Difference Between Expected and Actual Experience	\$ 15,616	\$ 66,411
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	59,345	0
Changes in Assumptions	30,161	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	<u>156,143</u>	<u>N/A</u>
Total	<u>\$ 261,265</u>	<u>\$ 66,411</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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	\$ (18,333)
2023	(4,957)
2024	22,979
2025	39,022
2026	0
Thereafter	0

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

*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 rate of return (expected returns, net of pension plan investment expense and inflation) are 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 rate of return by the target asset allocation percentage and by adding inflation of 2.5 percent. The best-estimate 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 three 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 Overton County Health and Rehab 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.

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Overton County Health and Rehab Center's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Overton County Health and Rehab Center's proportionate share of the net pension liability (asset) 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%	Current Discount Rate	1% Increase
Overton County Health and Rehab Center	Decrease 6.25%	7.25%	8.25%

Net Pension Liability (Asset)    \$ 630,848    \$ (399,878)    \$ (1,252,390)

*Payable to the Pension Plan.* At June 30, 2021, Overton County Health and Rehab Center reported a payable of \$27,016 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2021.

**G. Risk Management**

Risks related to the operation of the center are managed through the purchase of commercial insurance policies. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage for the current year or for the prior five years.

**H. Health Care Regulations**

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 investigations and allegations concerning possible violations of fraud and abuse statutes and 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 center is in compliance with fraud and abuse statutes as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

**I. Professional Liability Claims and Insurance**

The long-term health care industry has experienced a dramatic increase in personal injury and wrongful death claims based on alleged negligence by the center and its employees in providing care to residents. The center is subject to claims and suits, which arise in the ordinary course of business. In the opinion of management, the ultimate resolution of such pending legal proceedings has been adequately provided for through commercial insurance.

**J. Due to Primary Government**

On February 13, 2012, Overton County, Tennessee, passed a resolution to issue general obligations bonds in the aggregate principal amount of \$4,150,000, for the purpose of financing land acquisition, design, and site development for the construction and equipping of a health and rehab facility of the county. The facility was completed in the year ended June 30, 2016. The bonds, known as the General Obligation Bonds, Series 2012, were issued May 9, 2012, and are payable from unlimited ad valorem taxes to be levied on all taxable property within the county. The bonds are additionally payable from, although not secured by, revenues of the center. The full faith and credit of the county is irrevocably pledged for the payment of principal and interest on the bonds.

It is the intent of the center to repay the county bonds from revenues from the center. Therefore, the center has a due to the primary government in the exact amount of the balance of the bonds at June 30, 2021. The county has a liability for the bonds on the county's books with a corresponding amount due from the center. The center is repaying the indebtedness to the county in the form of payments on the bonds to U.S. Bank National Association according to the terms of the bonds. The bonds have a maturity date of April 1, 2033, and bear fixed interest rates ranging from one percent to 3.125 percent.

Interest expense incurred on the bonds for the year ended June 30, 2021, was \$74,554.

The annual debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest
2022	\$ 185,000	\$ 71,681
2023	190,000	67,750
2024	195,000	63,238
2025	200,000	58,606
2026	205,000	53,606
2027-2031	1,145,000	181,407
2032-2033	515,000	23,900
Total	<u>\$ 2,635,000</u>	<u>\$ 520,188</u>

On April 10, 2017, Overton County, Tennessee, passed a resolution to issue general obligation bonds in the aggregate principal amount of not to exceed \$5,110,000, for the purpose of financing, in whole or in part, the (i) construction, renovation, and equipping of nursing home facility (the "center") of the county; (ii) payment of legal, fiscal, administrative, architectural, and engineering costs incident to the foregoing; (iii) reimbursement to the county for funds previously expended for any of the foregoing; and (iv) payment of costs incident to the issuance and sale of the bonds authorized herein. The

bonds, known as the General Obligation Bonds, Series 2017, were issued June 20, 2017, in the amount of \$4,965,000 and are payable from unlimited ad valorem taxes to be levied on all taxable property within the county. The bonds are additionally payable from, although not secured by, revenues of the center. The full faith and credit of the county are irrevocably pledged for the payment of principal and interest on the bonds. Funds needed for the payment of the bonds may be reduced by revenues of the center.

It is the intent of the center to repay the county bonds from revenues from the center. Therefore, the center has a due to primary government (the “county”) in the exact amount of the balance of the bonds at June 30, 2021. The county has a liability for the bonds on the county’s books with a corresponding amount due from the center. The center is repaying the indebtedness to the county in the form of payments on the bonds to U.S. Bank National Association according to terms of the bonds. The bonds have a maturity date of April 1, 2042, and bear fixed interest rates ranging from 2.50 percent to 3.25 percent.

Interest expense incurred on the bonds for the year ended June 30, 2021, was \$140,556.

The annual debt service requirements to maturity related to the Overton County General Obligation Bonds, Series 2017 are as follows:

Year Ending June 30	Principal	Interest
2022	\$ 160,000	\$ 137,063
2023	165,000	132,262
2024	165,000	127,313
2025	175,000	122,362
2026	180,000	117,113
2027-2031	975,000	506,862
2032-2036	1,110,000	362,350
2037-2041	1,300,000	175,663
2042	285,000	9,263
Total	<u>\$ 4,515,000</u>	<u>\$ 1,690,251</u>

Changes in long-term debt for the year ended June 30, 2021, was as follows:

	7-1-20	Reductions	6-30-21	One Year
Due to Primary Government:				
Series 2012	\$ 2,815,000	\$ 180,000	\$ 2,635,000	\$ 185,000
Series 2017	4,670,000	155,000	4,515,000	160,000
Total Debt	<u>\$ 7,485,000</u>	<u>\$ 335,000</u>	<u>\$ 7,150,000</u>	<u>\$ 345,000</u>

Changes in other long-term liabilities for the year ended June 30, 2021, was as follows:

	Balance 7-1-20	Additions	Reductions	Balance 6-30-21	Due Within One Year
Other Post-employment Benefits Liability	\$ 412,781	\$ 136,978	\$ 100,010	\$ 449,749	\$ 0
Total Long-term Obligations	\$ 412,781	\$ 136,978	\$ 100,010	\$ 449,749	\$ 0

**K. Paycheck Protection Program Loan and Forgiveness**

On April 30, 2020, the center received loan proceeds in the amount of \$637,299 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amount up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after either eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period. The center’s covered period was twenty-four weeks. The center used the proceeds for purposes consistent with the PPP, and therefore applied for loan forgiveness during the year. The loan was considered forgiven in full as of December 8, 2020, and a gain on the forgiveness of debt was recorded in the amount of \$637,299 and reported in the Statement of Activities for the year ended June 30, 2021.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with a deferral of payments for the first year. The center’s loan was dated April 7, 2020, and its first payment is not due until April 25, 2021. The center intends to use the proceeds for purposes consistent with the PPP. While the center currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, actions could be taken that could cause the center to be ineligible for forgiveness. The center intends to apply for loan forgiveness within the subsequent year, therefore the entire amount of the loan is classified as short-term. No interest was accrued on this loan as of June 30, 2021.

	Balance 7-1-20	Additions	Reductions	Balance 6-30-21
Paycheck Protection Program	\$ 637,299	\$ 0	\$ 637,299	\$ 0

**L. Other Postemployment Benefits (OPEB)**

Employees of the Overton County Health and Rehab Center are provided pre-65 retiree health insurance benefits through the Local Government OPEB Plan (LGP), and employees hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP),



both administered by the Tennessee Department of Finance and Administration. The following is a summary of each of these plans:

**Local Government OPEB Plan**

*Plan Description.* Employees of the Overton County Health and Rehab Center are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multi-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

*Benefits Provided.* The center offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-701, *Tennessee Code Annotated*, 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, receives 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. The center does not provide a direct subsidy and is only subject to the implicit subsidy. The LGP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

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

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	1
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefits	<u>115</u>
Total	<u><u>116</u></u>

An insurance committee, created in accordance with Section 8-27-701, *Tennessee Code Annotated*, 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 center paid \$6,360 to the LGP for OPEB benefits as they came due.

*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	Graded Salary ranges from 3.44 to 8.72 percent based on age, including, inflation, averaging four percent
Discount Rate	2.21%
Healthcare Cost Trend Rates	9.02% for pre-65 in 2020, decreasing annually over a 10-year period to an ultimate rate of 4.5%. 7.56% for post-65 in 2020, decreasing annually over a four year period to an ultimate rate of 4.5%.
Retirees' Share of Benefit Related Cost	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation, a weighted average has been used with weights derived from the current distribution of members among plans offered.

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.

*Discount Rate.* The discount rate used to measure the total OPEB liability was 2.21 percent. This rate reflects the interest rate derived from yields to 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-year Municipal GO AA index.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 91,770
Changes for the Year:	
Service Cost	\$ 12,265
Interest	3,645
Difference between Expected and Actuarial Experience	(9,005)
Changes in Assumption and Other Inputs	9,949
Benefit Payments	(377)
Net Changes	<u>\$ 16,477</u>
Balance June 30, 2020	<u>\$ 108,247</u>

*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 assumptions decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2021, the center recognized OPEB expense of \$11,996. At June 30, 2021, the center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 32,353
Changes of Assumptions/Inputs	15,765	2,770
Net Difference Between Projected and Benefits Paid after the Measurement Date	<u>6,360</u>	<u>0</u>
Total	<u>\$ 22,125</u>	<u>\$ 35,123</u>

The amounts shown above for “employer payments subsequent to the measurement date” will be recognized as a reduction to total 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	
2022	\$ (3,914)
2023	(3,914)
2024	(3,914)
2025	(3,914)
2026	(3,384)
Thereafter	(318)

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 center 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:

	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Total OPEB Liability	\$ 118,005	\$ 108,247	\$ 99,156

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the center 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:

	1% Decrease	Current Trend Rates	1% Increase
	8.02 to 3.50%	9.02 to 4.50%	10.02 to 5.50%
Total OPEB Liability	\$ 94,235	\$ 108,247	\$ 125,049

### **Closed Tennessee Plan – Medicare**

*Plan Description.* Employees of Overton County Health and Rehab Center who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. This plan is considered a multi-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes this plan will be treated as a single-employer plan. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with Section 8-27-209, *Tennessee Code Annotated (TCA)*, benefits of the TNM are established and amended by cooperation of insurance committees created by Sections 8-27-201, 8-27-301 and 8-27-701, *TCA*. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65 are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan

benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The center provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$20 for eligible retirees with less than 20 years of service. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in trust that meet the criteria of paragraph 4 of GAST Statement No. 75.

Employees Covered by Benefit Terms

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

Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	1
Active Employees Eligible for Benefits	<u>100</u>
 Total	 <u><u>101</u></u>

In accordance with Section 8-27-209, *Tennessee Code Annotated (TCA)*, the state insurance committees established by Sections 8-27-201, 8-27-301, and 8-27-701, (*TCA*), determine the required payments to the plan by member employers and 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. For the fiscal year ended June 30, 2021, the center paid \$2,106 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 321,011
Changes for the Year:	
Service Cost	\$ 11,539
Interest	11,608
Difference between Expected and Actuarial Experience	(62,707)
Changes in Assumption and Other Inputs	63,732
Benefit Payments	(3,681)
Net Changes	<u>\$ 20,491</u>
Balance June 30, 2020	<u>\$ 341,502</u>

*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 assumptions decreased the total OPEB liability.

*OPEB Expense.* For the year ended June 30, 2021, the center recognized OPEB expense of \$27,309.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At June 30, 2021, the center 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	\$ 65,780	\$ 76,851
Changes of Assumptions/Inputs	59,390	12,708
Employer Payments Subsequent to the Measurement Date	<u>2,106</u>	<u>0</u>
Total	<u>\$ 127,276</u>	<u>\$ 89,559</u>

The amounts shown above for “employer payments subsequent to the measurement date” will be recognized as a reduction to total 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	County
2022	\$ 4,162
2023	4,162
2024	4,162
2025	6,222
2026	12,734
Thereafter	4,169

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 center 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:

	1% Decrease	Current Discount Rates	1% Increase
	1.21%	2.21%	3.21%
Total OPEB Liability	\$ 401,577	\$ 341,502	\$ 291,335

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

**M. Cash - Restricted**

Restricted cash is in a separate cash account created during the fiscal year ended June 30, 2017, with the net proceeds from the General Obligation Bonds, Series 2017, (the “Bonds”) issued by Overton County, Tennessee, as further explained in Note VI.J. above. This cash is restricted to be used only for purposes as authorized by a resolution passed by the county. The cash is to be disbursed solely to pay costs of issuance of the Bonds and costs of the project, as also described in Note VI.J. above. After completion of the project, any funds remaining in this restricted account are to be deposited to the county’s debt service fund. The carrying amount of this restricted cash account at June 30, 2021, was \$0. In addition, cash held as retainage that is due to the contractor at the end of the project is being deposited into a separate bank account. This



carrying amount of this cash account at June 30, 2021, was \$148,874. Total restricted cash at June 30, 2021, was \$148,874.

**N. Operating Lease**

The center had an operating lease for therapy equipment that began in the prior year. The lease is for one year and will automatically renew for successive periods of one year unless either party provides written notice of termination 60 days prior to the automatic renewal date. Rental expense for this lease totaled \$18,950 for the year ended June 30, 2021. There are no future minimum rental payments under this operating lease.

**O. Risks and Uncertainties Related to the Pandemic (COVID-19)**

In March 2020, the World Health Organization classified a new strain of coronavirus outbreak as a pandemic (COVID-19). During the pandemic, patients have postponed or refused necessary care in an attempt to avoid possible exposure to COVID-19, thereby reducing occupancy. Residents in the center have tested positive for COVID-19; accordingly, the center will incur significant increased costs for caring for those patients/residents. Further, COVID-19 has impacted the center's operations by causing staffing and supply shortages. The extent of the impact of COVID-19 on the center's operational and financial performance for the year ended June 30, 2021, cannot be measured. Additionally, subsequent to year end, the effects of the pandemic are ongoing. However, the risks associated with the outbreak have been lessened with the release of a vaccine. The vaccine has been made available to all residents. The effects of the continuing pandemic on the operations and finances of the center subsequent to year end are not know at this time.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

Exhibit E-1

Overton 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
<b>Total Pension Liability</b>							
Service Cost	\$ 821,188	\$ 873,441	\$ 869,285	\$ 963,413	\$ 1,023,158	\$ 1,091,342	\$ 1,100,415
Interest	1,736,406	1,777,058	1,915,961	1,984,413	2,100,957	2,213,415	2,323,783
Differences Between Actual and Expected Experience	(994,065)	296,202	(827,796)	85,227	(289,955)	(282,351)	62,577
Changes in Assumptions	0	0	0	648,060	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,076,371)	(1,071,132)	(1,109,892)	(1,167,868)	(1,274,081)	(1,428,330)	(1,589,980)
Net Change in Total Pension Liability	\$ 487,158	\$ 1,875,569	\$ 847,558	\$ 2,513,245	\$ 1,560,079	\$ 1,594,076	\$ 1,896,795
Total Pension Liability, Beginning	22,869,076	23,356,234	25,231,803	26,079,361	28,592,606	30,152,685	31,746,761
Total Pension Liability, Ending (a)	\$ 23,356,234	\$ 25,231,803	\$ 26,079,361	\$ 28,592,606	\$ 30,152,685	\$ 31,746,761	\$ 33,643,556
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 557,965	\$ 537,490	\$ 573,760	\$ 581,712	\$ 606,389	\$ 646,082	\$ 637,631
Contributions - Employee	515,219	496,759	532,213	547,104	561,743	619,920	587,516
Net Investment Income	3,591,187	778,022	689,545	3,017,854	2,451,687	2,368,897	1,680,589
Benefit Payments, Including Refunds of Employee Contributions	(1,076,371)	(1,071,132)	(1,109,892)	(1,167,868)	(1,274,081)	(1,428,330)	(1,589,980)
Administrative Expense	(15,473)	(19,883)	(30,836)	(35,061)	(40,254)	(38,443)	(36,796)
Other	0	0	3,500	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 3,572,527	\$ 721,256	\$ 658,290	\$ 2,943,741	\$ 2,305,484	\$ 2,168,126	\$ 1,278,960
Plan Fiduciary Net Position, Beginning	21,713,597	25,286,124	26,007,380	26,665,670	29,609,411	31,914,895	34,083,021
Plan Fiduciary Net Position, Ending (b)	\$ 25,286,124	\$ 26,007,380	\$ 26,665,670	\$ 29,609,411	\$ 31,914,895	\$ 34,083,021	\$ 35,361,981
Net Pension Liability (Asset), Ending (a - b)	\$ (1,929,890)	\$ (775,577)	\$ (586,309)	\$ (1,016,805)	\$ (1,762,210)	\$ (2,336,260)	\$ (1,718,425)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.26%	103.07%	102.25%	103.56%	105.84%	107.36%	105.11%
Covered Payroll	\$ 10,089,798	\$ 9,935,118	\$ 10,605,526	\$ 10,752,516	\$ 11,208,669	\$ 11,942,343	\$ 11,787,725
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(19.13)%	(7.81)%	(5.53)%	(9.46)%	(15.72)%	(19.56)%	(14.58)%

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

Note 2: The agent plan is a single plan covers employees of the primary government, the discretely presented health and rehab center, and non-certified employees of the discretely presented school department.

Exhibit E-2

Overton 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	\$ 557,965	\$ 537,490	\$ 573,760	\$ 581,712	\$ 606,389	\$ 646,082	\$ 594,023	\$ 657,280
Less Contributions in Relation to the Actuarially Determined Contribution	(557,965)	(537,490)	(573,760)	(581,712)	(606,389)	(646,082)	(637,631)	(657,280)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (43,608)	\$ 0
Covered Payroll	\$ 10,089,798	\$ 9,935,118	\$ 10,605,526	\$ 10,752,516	\$ 11,208,669	\$ 11,942,343	\$ 11,787,725	\$ 12,230,059
Contributions as a Percentage of Covered Payroll	5.53%	5.41%	5.41%	5.41%	5.41%	5.41%	5.41%	5.37%

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

Note 2: The agent plan is a single plan covers employees of the primary government, the discretely presented health and rehab center, and non-certified employees of the discretely presented school department.

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 9,956	\$ 21,305	\$ 33,615	\$ 41,215	\$ 25,141	\$ 30,454	\$ 34,752
Less Contributions in Relation to the Contractually Required Contribution	(9,956)	(21,305)	(33,615)	(41,215)	(25,141)	(30,454)	(34,752)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 248,908	\$ 532,620	\$ 840,382	\$ 1,024,778	\$ 1,295,946	\$ 1,500,192	\$ 1,720,330
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.02%	1.94%	2.03%	2.02%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 1,053,143	\$ 1,057,677	\$ 1,029,362	\$ 1,004,390	\$ 1,006,914	\$ 1,163,916	\$ 1,153,927	\$ 1,130,043
Less Contributions in Relation to the Contractually Required Contribution	(1,053,143)	(1,057,677)	(1,029,362)	(1,004,390)	(1,006,914)	(1,163,916)	(1,153,927)	(1,130,043)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 11,859,720	\$ 11,699,966	\$ 11,386,739	\$ 11,110,501	\$ 11,094,929	\$ 11,127,307	\$ 10,855,382	\$ 11,003,376
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%

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

Exhibit E-5

Overton County, Tennessee  
Schedule of Proportionate Share of the Net Pension Asset  
in the Teacher Retirement Plan of TCRS  
Discretely Presented Overton 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)	0.117325%	0.121048%	0.128041%	0.117908%	0.122466%	0.118881%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,819)	\$ (12,601)	\$ (33,781)	\$ (53,475)	\$ (69,130)	\$ (67,601)
Covered Payroll	\$ 248,908	\$ 532,620	\$ 840,382	\$ 1,024,778	\$ 1,295,946	\$ 1,500,192
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.22)%	(5.33)%	(4.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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

Exhibit E-6

Overton County, Tennessee  
Schedule of Proportionate Share of the Net Pension Asset  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Overton 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)	0.302159%	0.312541%	0.315440%	0.314304%	0.316687%	0.331847%	0.326158%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (49,099)	\$ 128,027	\$ 1,971,325	\$ (102,835)	\$ (1,114,396)	\$ (3,411,984)	\$ (2,487,196)
Covered Payroll	\$ 11,859,720	\$ 11,699,966	\$ 11,386,739	\$ 11,110,501	\$ 11,094,929	\$ 11,127,307	\$ 10,855,382
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.93)%	(10.04)%	(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 E-7

Overton County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Overton County Plans  
Primary Government  
For the Fiscal Year Ended June 30

**Local Government Plans**

Overton County Plan

	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service Cost	\$ 15,735	\$ 15,283	\$ 24,096	\$ 23,817
Interest	5,707	7,228	9,449	6,831
Differences Between Actual and Expected Experience	0	21,092	(96,310)	(9,578)
Changes in Assumptions or Other Inputs	(9,653)	12,940	8,294	19,278
Benefit Payments	(3,447)	(4,020)	(10,810)	(12,533)
Net Change in Total OPEB Liability	\$ 8,342	\$ 52,523	\$ (65,281)	\$ 27,815
Total OPEB Liability, Beginning	181,426	189,768	242,291	177,010
Total OPEB Liability, Ending	<u>\$ 189,768</u>	<u>\$ 242,291</u>	<u>\$ 177,010</u>	<u>\$ 204,825</u>
Covered Employee Payroll	\$ 3,973,352	\$ 4,481,573	\$ 4,999,544	\$ 5,000,348
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.78%	5.41%	3.54%	4.10%

Overton County Highway Plan

	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service Cost	\$ 5,748	\$ 5,496	\$ 5,296	\$ 6,804
Interest	1,614	2,125	2,478	2,176
Differences Between Actual and Expected Experience	0	(3,500)	(17,133)	(10,646)
Changes in Assumptions or Other Inputs	(2,508)	5,605	2,348	4,232
Benefit Payments	0	(338)	(1,186)	(757)
Net Change in Total OPEB Liability	\$ 4,854	\$ 9,388	\$ (8,197)	\$ 1,809
Total OPEB Liability, Beginning	49,512	54,366	63,754	55,557
Total OPEB Liability, Ending	<u>\$ 54,366</u>	<u>\$ 63,754</u>	<u>\$ 55,557</u>	<u>\$ 57,366</u>
Covered Employee Payroll	\$ 797,458	\$ 758,423	\$ 818,484	\$ 825,110
Net OPEB Liability as a Percentage of Covered Employee Payroll	6.82%	8.41%	6.79%	6.95%

(Continued)

Exhibit E-7

Overton County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Overton County Plans (Cont.)

**State Administered Medicare Plans**

Overton County Plan

	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service Cost	\$ 22,732	\$ 19,503	\$ 15,556	\$ 7,426
Interest	13,545	15,844	13,992	6,385
Differences Between Actual and Expected Experience	0	(81,740)	(225,164)	(25,749)
Changes in Assumptions or Other Inputs	(48,528)	(3,551)	3,932	37,683
Benefit Payments	(2,550)	(4,088)	(5,263)	(4,296)
Net Change in Total OPEB Liability	\$ (14,801)	\$ (54,032)	\$ (196,947)	\$ 21,449
Total OPEB Liability, Beginning	442,397	427,596	373,564	176,617
Total OPEB Liability, Ending	\$ 427,596	\$ 373,564	\$ 176,617	\$ 198,066
Covered Employee Payroll	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

Overton County Highway Plan

	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service Cost	\$ 849	\$ 746	\$ 0	\$ 855
Interest	421	502	0	598
Differences Between Actual and Expected Experience	0	0	0	(1,346)
Changes in Benefit Terms	0	(14,531)	16,299	0
Changes in Assumptions or Other Inputs	(1,457)	0	0	3,960
Benefit Payments	0	(113)	0	(256)
Net Change in Total OPEB Liability	\$ (187)	\$ (13,396)	\$ 16,299	\$ 3,811
Total OPEB Liability, Beginning	13,583	13,396	0	16,299
Total OPEB Liability, Ending	\$ 13,396	\$ 0	\$ 16,299	\$ 20,110
Covered Employee Payroll	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

(Continued)

Exhibit E-7

Overton County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Overton County Plans (Cont.)

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

Plan year 2019 - from 5.4% to 6.75%  
Plan year 2020 - from 6.75% to 6.03%  
Plan year 2020 - 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 E-8

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

**Local Education Plan**

	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service Cost	\$ 337,837	\$ 311,697	\$ 266,003	\$ 235,416
Interest	182,077	219,830	194,779	194,741
Changes in Benefit Terms	0	(1,013,086)	(204,578)	0
Differences Between Actual and Expected Experience	0	(131,244)	635,664	400,491
Changes in Assumptions or Other Inputs	(289,836)	152,065	(419,372)	734,254
Benefit Payments	(254,268)	(274,645)	(303,965)	(244,123)
Net Change in Total OPEB Liability	\$ (24,190)	\$ (735,383)	\$ 168,531	\$ 1,320,779
Total OPEB Liability, Beginning	6,024,823	6,000,633	5,265,250	5,433,781
Total OPEB Liability, Ending	\$ 6,000,633	\$ 5,265,250	\$ 5,433,781	\$ 6,754,560
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,090,315	\$ 1,614,289	\$ 1,781,720	\$ 2,124,220
Employer Proportionate Share of the Total OPEB Liability	3,910,318	3,650,961	3,652,061	4,630,340
Covered Employee Payroll	\$ 15,452,856	\$ 15,824,867	\$ 15,828,081	\$ 16,242,107
Net OPEB Liability as a Percentage of Covered Employee Payroll	38.83%	33.27%	34.33%	41.59%

**State Administered Medicare Plan**

	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service Cost	\$ 67,589	\$ 55,245	\$ 24,518	\$ 34,100
Interest	85,496	96,598	47,631	51,525
Changes in Benefit Terms	0	(1,203,949)	0	(199,069)
Differences Between Actual and Expected Experience	0	(225,219)	(90,989)	(6,935)
Changes in Assumptions or Other Inputs	(250,587)	(10,478)	212,336	265,353
Benefit Payments	(103,800)	(105,548)	(53,132)	(48,618)
Net Change in Total OPEB Liability	\$ (201,302)	\$ (1,393,351)	\$ 140,364	\$ 96,356
Total OPEB Liability, Beginning	2,912,249	2,710,947	1,317,596	1,457,960
Total OPEB Liability, Ending	\$ 2,710,947	\$ 1,317,596	\$ 1,457,960	\$ 1,554,316
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,257,256	\$ 1,182,084	\$ 1,069,398	\$ 1,315,006
Employer Proportionate Share of the Total OPEB Liability	1,453,691	135,512	388,562	239,310
Covered Employee Payroll	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

(Continued)

Exhibit E-8

Overton County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plans (Cont.)

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 7.56%

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

**OVERTON 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 Adjustments	2.25%

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

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

# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

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.

## Capital Projects Funds

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

---

General Capital Projects Fund – The General Capital Projects Fund is used to account for contributions and debt issued for the construction and equipping of a county administration facility.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for debt issued for road and bridge projects.



Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,300	\$ 1,300	\$ 0
Equity in Pooled Cash and Investments	14,378	135,136	0	149,514	180,498
Accounts Receivable	0	0	12,567	12,567	0
Total Assets	<u>\$ 14,378</u>	<u>\$ 135,136</u>	<u>\$ 13,867</u>	<u>\$ 163,381</u>	<u>\$ 180,498</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to Other Funds	0	0	13,867	13,867	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,867</u>	<u>\$ 13,867</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 14,378	\$ 0	\$ 0	\$ 14,378	\$ 0
Restricted for Public Safety	0	135,136	0	135,136	0
Restricted for Capital Outlay	0	0	0	0	180,498
Total Fund Balances	<u>\$ 14,378</u>	<u>\$ 135,136</u>	<u>\$ 0</u>	<u>\$ 149,514</u>	<u>\$ 180,498</u>
Total Liabilities and Fund Balances	<u>\$ 14,378</u>	<u>\$ 135,136</u>	<u>\$ 13,867</u>	<u>\$ 163,381</u>	<u>\$ 180,498</u>

(Continued)

Exhibit F-1

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

	<u>Capital Projects Funds (Cont.)</u>		
	<u>Highway Capital Projects</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 1,300
Equity in Pooled Cash and Investments	477,191	657,689	807,203
Accounts Receivable	0	0	12,567
	<hr/>		
Total Assets	\$ 477,191	\$ 657,689	\$ 821,070
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,375	\$ 4,375	\$ 4,375
Due to Other Funds	0	0	13,867
Total Liabilities	\$ 4,375	\$ 4,375	\$ 18,242
<u>FUND BALANCES</u>			
Restricted:			
Restricted for General Government	\$ 0	\$ 0	\$ 14,378
Restricted for Public Safety	0	0	135,136
Restricted for Capital Outlay	472,816	653,314	653,314
Total Fund Balances	\$ 472,816	\$ 653,314	\$ 802,828
	<hr/>		
Total Liabilities and Fund Balances	\$ 477,191	\$ 657,689	\$ 821,070

Exhibit F-2

Overton 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				Capital Projects Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 387	\$ 0	\$ 0	\$ 387	\$ 0
Fines, Forfeitures, and Penalties	0	33,903	0	33,903	0
Charges for Current Services	0	0	3,631	3,631	0
Other Local Revenues	0	25,066	0	25,066	12,815
Total Revenues	<u>\$ 387</u>	<u>\$ 58,969</u>	<u>\$ 3,631</u>	<u>\$ 62,987</u>	<u>\$ 12,815</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 128
Finance	0	0	190	190	0
Administration of Justice	0	0	3,441	3,441	0
Public Safety	0	32,903	0	32,903	0
Other Operations	4	0	0	4	0
Capital Projects	0	0	0	0	1,005,996
Total Expenditures	<u>\$ 4</u>	<u>\$ 32,903</u>	<u>\$ 3,631</u>	<u>\$ 36,538</u>	<u>\$ 1,006,124</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 383</u>	<u>\$ 26,066</u>	<u>\$ 0</u>	<u>\$ 26,449</u>	<u>\$ (993,309)</u>
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				Capital Projects Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
Net Change in Fund Balances	\$ 383	\$ 26,066	\$ 0	\$ 26,449	\$ (993,309)
Fund Balance, July 1, 2020	13,995	109,070	0	123,065	1,173,807
Fund Balance, June 30, 2021	\$ 14,378	\$ 135,136	\$ 0	\$ 149,514	\$ 180,498

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 387
Fines, Forfeitures, and Penalties	0	0	33,903
Charges for Current Services	0	0	3,631
Other Local Revenues	0	12,815	37,881
Total Revenues	<u>\$ 0</u>	<u>\$ 12,815</u>	<u>\$ 75,802</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 128	\$ 128
Finance	0	0	190
Administration of Justice	0	0	3,441
Public Safety	0	0	32,903
Other Operations	0	0	4
Capital Projects	1,427,184	2,433,180	2,433,180
Total Expenditures	<u>\$ 1,427,184</u>	<u>\$ 2,433,308</u>	<u>\$ 2,469,846</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,427,184)</u>	<u>\$ (2,420,493)</u>	<u>\$ (2,394,044)</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
Total Other Financing Sources (Uses)	<u>\$ 1,900,000</u>	<u>\$ 1,900,000</u>	<u>\$ 1,900,000</u>

(Continued)

Exhibit F-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds
Net Change in Fund Balances	\$ 472,816	\$ (520,493)	\$ (494,044)
Fund Balance, July 1, 2020	0	1,173,807	1,296,872
Fund Balance, June 30, 2021	<u>\$ 472,816</u>	<u>\$ 653,314</u>	<u>\$ 802,828</u>

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 387	\$ 382	\$ 382	\$ 5
Total Revenues	\$ 387	\$ 382	\$ 382	\$ 5
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 0	\$ 5,000	\$ 5,000	\$ 5,000
<u>Other Operations</u>				
Other Charges	4	50	50	46
Total Expenditures	\$ 4	\$ 5,050	\$ 5,050	\$ 5,046
Excess (Deficiency) of Revenues Over Expenditures	\$ 383	\$ (4,668)	\$ (4,668)	\$ 5,051
Net Change in Fund Balance	\$ 383	\$ (4,668)	\$ (4,668)	\$ 5,051
Fund Balance, July 1, 2020	13,995	13,995	13,995	0
Fund Balance, June 30, 2021	\$ 14,378	\$ 9,327	\$ 9,327	\$ 5,051

Exhibit F-4

Overton 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	\$ 33,903	\$ 28,700	\$ 28,700	\$ 5,203
Other Local Revenues	25,066	1,675	24,273	793
Fees Received From County Officials	0	200	200	(200)
Total Revenues	<u>\$ 58,969</u>	<u>\$ 30,575</u>	<u>\$ 53,173</u>	<u>\$ 5,796</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 32,903	\$ 27,160	\$ 49,758	\$ 16,855
Total Expenditures	<u>\$ 32,903</u>	<u>\$ 27,160</u>	<u>\$ 49,758</u>	<u>\$ 16,855</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 26,066</u>	<u>\$ 3,415</u>	<u>\$ 3,415</u>	<u>\$ 22,651</u>
Net Change in Fund Balance	\$ 26,066	\$ 3,415	\$ 3,415	\$ 22,651
Fund Balance, July 1, 2020	109,070	109,070	109,070	0
Fund Balance, June 30, 2021	<u>\$ 135,136</u>	<u>\$ 112,485</u>	<u>\$ 112,485</u>	<u>\$ 22,651</u>



# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

Overton 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	\$ 424,780	\$ 416,083	\$ 416,083	\$ 8,697
Other Local Revenues	33,895	421,000	421,000	(387,105)
State of Tennessee	1,991,688	3,120,000	3,120,000	(1,128,312)
Other Governments and Citizens Groups	1,696,688	0	1,696,688	0
Total Revenues	<u>\$ 4,147,051</u>	<u>\$ 3,957,083</u>	<u>\$ 5,653,771</u>	<u>\$ (1,506,720)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 2,720,000	\$ 3,893,225	\$ 4,228,225	\$ 1,508,225
Education	968,953	0	968,953	0
<u>Interest on Debt</u>				
General Government	391,668	263,478	480,697	89,029
Education	174,916	0	174,916	0
<u>Other Debt Service</u>				
General Government	15,220	75,500	75,500	60,280
Education	600	0	600	0
Total Expenditures	<u>\$ 4,271,357</u>	<u>\$ 4,232,203</u>	<u>\$ 5,928,891</u>	<u>\$ 1,657,534</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (124,306)</u>	<u>\$ (275,120)</u>	<u>\$ (275,120)</u>	<u>\$ 150,814</u>
Net Change in Fund Balance	\$ (124,306)	\$ (275,120)	\$ (275,120)	\$ 150,814
Fund Balance, July 1, 2020	1,333,627	1,332,947	1,332,947	680
Fund Balance, June 30, 2021	<u>\$ 1,209,321</u>	<u>\$ 1,057,827</u>	<u>\$ 1,057,827</u>	<u>\$ 151,494</u>

# Custodial Funds

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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.

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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 H-1

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

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,069,749	\$ 1,069,749
Due from Other Governments	208,793	0	208,793
Total Assets	<u>\$ 208,793</u>	<u>\$ 1,069,749</u>	<u>\$ 1,278,542</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 208,793	\$ 0	\$ 208,793
Total Liabilities	<u>\$ 208,793</u>	<u>\$ 0</u>	<u>\$ 208,793</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 1,069,749	\$ 1,069,749
Total Net Position	<u>\$ 0</u>	<u>\$ 1,069,749</u>	<u>\$ 1,069,749</u>

Exhibit H-2

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

	<u>Custodial Funds</u>		
	<u>Cities - Sales Tax</u>	<u>Constitu - tional Officers - Custodial</u>	<u>Total</u>
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 1,209,605	\$ 0	\$ 1,209,605
Fines/Fees and Other Collections	0	6,100,651	6,100,651
Total Additions	<u>\$ 1,209,605</u>	<u>\$ 6,100,651</u>	<u>\$ 7,310,256</u>
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 1,209,605	\$ 0	\$ 1,209,605
Payments to State	0	2,909,196	2,909,196
Payments to County/City	0	1,480,683	1,480,683
Payments to Individuals and Others	0	1,957,892	1,957,892
Total Deductions	<u>\$ 1,209,605</u>	<u>\$ 6,347,771</u>	<u>\$ 7,557,376</u>
Change in Net Position	\$ 0	\$ (247,120)	\$ (247,120)
Net Position July 1, 2020	0	0	0
Restatement - See Note I.D.10.	0	1,316,869	1,316,869
Net Position June 30, 2021	<u>\$ 0</u>	<u>\$ 1,069,749</u>	<u>\$ 1,069,749</u>

# Overton County School Department

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

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

Exhibit I-1

Overton County, Tennessee  
Statement of Activities  
Discretely Presented Overton 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	\$ 16,515,916	\$ 5,202	\$ 2,480,662	\$ 138,000	\$ (13,892,052)
Support Services	9,667,098	15,101	1,561,791	0	(8,090,206)
Operation of Non-instructional Services	3,410,099	55,413	2,339,143	0	(1,015,543)
Interest on Long-term Debt	174,916	0	0	0	(174,916)
<b>Total Governmental Activities</b>	<b>\$ 29,768,029</b>	<b>\$ 75,716</b>	<b>\$ 6,381,596</b>	<b>\$ 138,000</b>	<b>\$ (23,172,717)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,090,477
Local Option Sales Taxes					3,495,170
Wheel Tax					658,943
Mixed Drink Tax					14,171
Wholesale Beer Tax					123,573
Other Local Taxes					210
Grants and Contributions Not Restricted for Specific Programs					20,690,394
Gain on Investments					17,658
Miscellaneous					67,728
<b>Total General Revenues</b>					<b>\$ 27,158,324</b>
Change in Net Position					\$ 3,985,607
Net Position, July 1, 2020					17,582,406
Restatement - See Note I.D.10.					368,058
<b>Net Position, June 30, 2021</b>					<b>\$ 21,936,071</b>

Exhibit I-2

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 470,883	\$ 470,883
Equity in Pooled Cash and Investments	10,810,365	182,568	1,292,925	12,285,858
Inventories	0	0	56,164	56,164
Accounts Receivable	73,369	1,699	2,345	77,413
Due from Other Governments	1,077,097	395,514	27,801	1,500,412
Due from Other Funds	120,588	0	0	120,588
Property Taxes Receivable	2,198,755	0	0	2,198,755
Allowance for Uncollectible Property Taxes	(33,603)	0	0	(33,603)
Restricted Assets	108,590	0	0	108,590
Total Assets	<u>\$ 14,355,161</u>	<u>\$ 579,781</u>	<u>\$ 1,850,118</u>	<u>\$ 16,785,060</u>
<u>LIABILITIES</u>				
Accrued Payroll	\$ 45,964	\$ 3,800	\$ 1,586	\$ 51,350
Payroll Deductions Payable	95,433	781	1,256	97,470
Due to Other Funds	0	0	100,000	100,000
Due to State of Tennessee	942	290	353	1,585
Total Liabilities	<u>\$ 142,339</u>	<u>\$ 4,871</u>	<u>\$ 103,195</u>	<u>\$ 250,405</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,121,436	\$ 0	\$ 0	\$ 2,121,436
Deferred Delinquent Property Taxes	38,125	0	0	38,125
Other Deferred/Unavailable Revenue	795,895	0	0	795,895
Total Deferred Inflows of Resources	<u>\$ 2,955,456</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,955,456</u>

(Continued)



Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Governmental Funds</u>	
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 56,164	\$ 56,164
Restricted:				
Restricted for Education	82,429	0	372,833	455,262
Restricted for Hybrid Retirement Stabilization Funds	108,590	0	0	108,590
Committed:				
Committed for Education	0	700,000	1,317,926	2,017,926
Assigned:				
Assigned for Education	249,103	0	0	249,103
Unassigned	10,817,244	(125,090)	0	10,692,154
Total Fund Balances	<u>\$ 11,257,366</u>	<u>\$ 574,910</u>	<u>\$ 1,746,923</u>	<u>\$ 13,579,199</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,355,161</u>	<u>\$ 579,781</u>	<u>\$ 1,850,118</u>	<u>\$ 16,785,060</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	13,579,199
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	574,963	
Add: buildings and improvements net of accumulated depreciation		11,154,379	
Add: infrastructure net of accumulated depreciation		526,969	
Add: other capital assets net of accumulated depreciation		<u>1,789,104</u>	14,045,415
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for bonds	\$	(3,300,250)	
Less: contributions due on primary government debt for other loans		(2,711,964)	
Less: net OPEB liability		(4,869,650)	
Less: compensated absences payable		<u>(94,465)</u>	(10,976,329)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,393,576	
Less: deferred inflows of resources related to pensions		(1,305,088)	
Add: deferred outflows of resources related to OPEB		1,780,121	
Less: deferred inflows of resources related to OPEB		<u>(1,458,532)</u>	1,410,077
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	488,892	
Add: net pension asset - teacher retirement plan		67,601	
Add: net pension asset - teacher legacy pension plan		<u>2,487,196</u>	3,043,689
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>834,020</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>21,936,071</u></u>

Exhibit I-4

Overton County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Overton 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	\$ 5,213,779	\$ 0	\$ 658,943	\$ 5,872,722
Licenses and Permits	1,340	0	0	1,340
Charges for Current Services	5,202	0	55,413	60,615
Other Local Revenues	132,878	0	680,423	813,301
State of Tennessee	20,629,245	0	16,995	20,646,240
Federal Government	744,684	3,435,514	1,580,738	5,760,936
Total Revenues	<u>\$ 26,727,128</u>	<u>\$ 3,435,514</u>	<u>\$ 2,992,512</u>	<u>\$ 33,155,154</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 14,750,723	\$ 2,552,819	\$ 0	\$ 17,303,542
Support Services	8,723,771	956,892	0	9,680,663
Operation of Non-Instructional Services	858,852	49,038	2,502,209	3,410,099
Capital Outlay	177,054	0	0	177,054
Debt Service:				
Principal on Debt	0	0	968,953	968,953
Interest on Debt	0	0	174,916	174,916
Other Debt Service	0	0	7,211	7,211
Total Expenditures	<u>\$ 24,510,400</u>	<u>\$ 3,558,749</u>	<u>\$ 3,653,289</u>	<u>\$ 31,722,438</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,216,728</u>	<u>\$ (123,235)</u>	<u>\$ (660,777)</u>	<u>\$ 1,432,716</u>

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 23,527	\$ 500,000	\$ 672,109	\$ 1,195,636
Transfers Out	(1,172,109)	(23,527)	0	(1,195,636)
Total Other Financing Sources (Uses)	\$ (1,148,582)	\$ 476,473	\$ 672,109	\$ 0
Net Change in Fund Balances	\$ 1,068,146	\$ 353,238	\$ 11,332	\$ 1,432,716
Restatement - See Note I.D.10.	0	0	368,058	368,058
Fund Balance, July 1, 2020	10,189,220	221,672	1,367,533	11,778,425
Fund Balance, June 30, 2021	\$ 11,257,366	\$ 574,910	\$ 1,746,923	\$ 13,579,199

Exhibit I-5

Overton County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Overton 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 I-4)		\$ 1,432,716
(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	\$ 485,896	
Less: current-year depreciation expense	<u>(695,562)</u>	(209,666)
(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		(6,879)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 834,020	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(292,312)</u>	541,708
(4) The contributions of long-term debt (e.g., bonds, notes, other loans, leases) by the primary government provide current financial resources to governmental funds, while 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 bonds to primary government		968,953
(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 governmental funds.		
Change in compensated absences payable	\$ 57,675	
Change in net pension asset - agent plan	(176,008)	
Change in net pension asset - teacher retirement plan	(1,529)	
Change in net pension asset - teacher legacy pension plan	(924,788)	
Change in deferred outflows related to pensions	264,096	
Change in deferred inflows related to pensions	2,091,240	
Change in OPEB liability	(829,027)	
Change in deferred outflows related to OPEB	657,777	
Change in deferred inflows related to OPEB	<u>119,339</u>	<u>1,258,775</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,985,607</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Central Cafeteria</u>	<u>Internal School</u>	<u>Total</u>	<u>Education Debt Service</u>	
<u>ASSETS</u>					
Cash	\$ 101,333	\$ 369,550	\$ 470,883	\$ 0	\$ 470,883
Equity in Pooled Cash and Investments	41,863	0	41,863	1,251,062	1,292,925
Inventories	48,905	7,259	56,164	0	56,164
Accounts Receivable	395	1,950	2,345	0	2,345
Due from Other Governments	27,801	0	27,801	0	27,801
Total Assets	<u>\$ 220,297</u>	<u>\$ 378,759</u>	<u>\$ 599,056</u>	<u>\$ 1,251,062</u>	<u>\$ 1,850,118</u>
<u>LIABILITIES</u>					
Accrued Payroll	\$ 1,586	\$ 0	\$ 1,586	\$ 0	\$ 1,586
Payroll Deductions Payable	1,256	0	1,256	0	1,256
Due to Other Funds	100,000	0	100,000	0	100,000
Due to State of Tennessee	353	0	353	0	353
Total Liabilities	<u>\$ 103,195</u>	<u>\$ 0</u>	<u>\$ 103,195</u>	<u>\$ 0</u>	<u>\$ 103,195</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 48,905	\$ 7,259	\$ 56,164	\$ 0	\$ 56,164
Restricted:					
Restricted for Education	1,333	371,500	372,833	0	372,833
Committed:					
Committed for Education	66,864	0	66,864	1,251,062	1,317,926
Total Fund Balances	<u>\$ 117,102</u>	<u>\$ 378,759</u>	<u>\$ 495,861</u>	<u>\$ 1,251,062</u>	<u>\$ 1,746,923</u>
Total Liabilities and Fund Balances	<u>\$ 220,297</u>	<u>\$ 378,759</u>	<u>\$ 599,056</u>	<u>\$ 1,251,062</u>	<u>\$ 1,850,118</u>

Exhibit I-7

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

	Special Revenue Funds			Debt Service	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Fund  Education Debt Service	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 658,943	\$ 658,943
Charges for Current Services	55,413	0	55,413	0	55,413
Other Local Revenues	15,694	664,729	680,423	0	680,423
State of Tennessee	16,995	0	16,995	0	16,995
Federal Government	1,580,738	0	1,580,738	0	1,580,738
Total Revenues	\$ 1,668,840	\$ 664,729	\$ 2,333,569	\$ 658,943	\$ 2,992,512
<u>Expenditures</u>					
Current:					
Operation of Non-Instructional Services	\$ 1,848,181	\$ 654,028	\$ 2,502,209	\$ 0	\$ 2,502,209
Debt Service:					
Principal on Debt	0	0	0	968,953	968,953
Interest on Debt	0	0	0	174,916	174,916
Other Debt Service	0	0	0	7,211	7,211
Total Expenditures	\$ 1,848,181	\$ 654,028	\$ 2,502,209	\$ 1,151,080	\$ 3,653,289
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (179,341)	\$ 10,701	\$ (168,640)	\$ (492,137)	\$ (660,777)
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 672,109	\$ 672,109
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 672,109	\$ 672,109

(Continued)

Exhibit I-7

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

	Special Revenue Funds			Debt Service	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Fund  Education Debt Service	
Net Change in Fund Balances	\$ (179,341)	\$ 10,701	\$ (168,640)	\$ 179,972	\$ 11,332
Restatement - See Note I.D.10.	0	368,058	368,058	0	368,058
Fund Balance, July 1, 2020	296,443	0	296,443	1,071,090	1,367,533
Fund Balance, June 30, 2021	\$ 117,102	\$ 378,759	\$ 495,861	\$ 1,251,062	\$ 1,746,923



Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,213,779	\$ 0	\$ 0	\$ 5,213,779	\$ 4,132,132	\$ 4,132,132	\$ 1,081,647
Licenses and Permits	1,340	0	0	1,340	1,400	1,400	(60)
Charges for Current Services	5,202	0	0	5,202	24,000	24,000	(18,798)
Other Local Revenues	132,878	0	0	132,878	105,000	122,658	10,220
State of Tennessee	20,629,245	0	0	20,629,245	20,463,627	20,599,382	29,863
Federal Government	744,684	0	0	744,684	600,956	770,947	(26,263)
<b>Total Revenues</b>	<b>\$ 26,727,128</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 26,727,128</b>	<b>\$ 25,327,115</b>	<b>\$ 25,650,519</b>	<b>\$ 1,076,609</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 12,486,879	\$ (11,999)	\$ 31,039	\$ 12,505,919	\$ 12,267,362	\$ 12,681,981	\$ 176,062
Alternative Instruction Program	71,246	0	0	71,246	73,044	73,044	1,798
Special Education Program	1,540,836	0	0	1,540,836	1,815,043	1,809,457	268,621
Career and Technical Education Program	651,762	(7,445)	948	645,265	711,788	711,062	65,797
<u>Support Services</u>							
Attendance	204,393	0	0	204,393	195,616	195,616	(8,777)
Health Services	264,811	0	0	264,811	249,470	253,174	(11,637)
Other Student Support	643,933	0	0	643,933	866,620	865,811	221,878
Regular Instruction Program	892,216	0	4,330	896,546	909,975	909,975	13,429
Special Education Program	256,133	0	0	256,133	311,456	311,456	55,323
Career and Technical Education Program	18,411	0	0	18,411	21,665	21,665	3,254
Technology	205,939	0	20	205,959	144,495	323,461	117,502
Other Programs	135,755	0	0	135,755	0	135,755	0
Board of Education	438,262	(1,134)	0	437,128	419,983	395,554	(41,574)
Director of Schools	141,343	0	0	141,343	145,896	135,296	(6,047)
Office of the Principal	1,625,029	0	2,288	1,627,317	1,856,551	1,667,051	39,734
Fiscal Services	345,574	0	0	345,574	306,567	288,201	(57,373)
Operation of Plant	1,777,284	0	43,189	1,820,473	1,955,328	1,874,574	54,101
Maintenance of Plant	537,385	0	0	537,385	342,991	538,014	629

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 1,237,303	\$ (347,896)	\$ 100,524	\$ 989,931	\$ 1,126,430	\$ 1,103,629	\$ 113,698
<u>Operation of Non-Instructional Services</u>							
Food Service	12,696	0	0	12,696	0	60,000	47,304
Community Services	448,916	0	0	448,916	561,234	541,234	92,318
Early Childhood Education	397,240	(1,638)	946	396,548	399,821	363,850	(32,698)
<u>Capital Outlay</u>							
Regular Capital Outlay	177,054	0	65,819	242,873	0	239,070	(3,803)
Total Expenditures	\$ 24,510,400	\$ (370,112)	\$ 249,103	\$ 24,389,391	\$ 24,681,335	\$ 25,498,930	\$ 1,109,539
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,216,728	\$ 370,112	\$ (249,103)	\$ 2,337,737	\$ 645,780	\$ 151,589	\$ 2,186,148
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 23,527	\$ 0	\$ 0	\$ 23,527	\$ 26,329	\$ 26,329	\$ (2,802)
Transfers Out	(1,172,109)	0	0	(1,172,109)	(672,109)	(1,172,109)	0
Total Other Financing Sources	\$ (1,148,582)	\$ 0	\$ 0	\$ (1,148,582)	\$ (645,780)	\$ (1,145,780)	\$ (2,802)
Net Change in Fund Balance	\$ 1,068,146	\$ 370,112	\$ (249,103)	\$ 1,189,155	\$ 0	\$ (994,191)	\$ 2,183,346
Fund Balance, July 1, 2020	10,189,220	(370,112)	0	9,819,108	8,799,970	8,799,970	1,019,138
Fund Balance, June 30, 2021	\$ 11,257,366	\$ 0	\$ (249,103)	\$ 11,008,263	\$ 8,799,970	\$ 7,805,779	\$ 3,202,484

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 3,435,514	\$ 0	\$ 0	\$ 3,435,514	\$ 1,938,508	\$ 6,226,308	\$ (2,790,794)
Total Revenues	\$ 3,435,514	\$ 0	\$ 0	\$ 3,435,514	\$ 1,938,508	\$ 6,226,308	\$ (2,790,794)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,553,087	\$ (10,611)	\$ 614,655	\$ 2,157,131	\$ 490,144	\$ 2,614,997	\$ 457,866
Alternative Instruction Program	2,112	0	0	2,112	0	2,128	16
Special Education Program	752,355	(290)	2,429	754,494	669,274	997,497	243,003
Career and Technical Education Program	245,265	(1,300)	0	243,965	38,128	243,610	(355)
<u>Support Services</u>							
Attendance	2,010	0	0	2,010	0	2,010	0
Health Services	59,734	0	0	59,734	0	60,003	269
Other Student Support	55,734	(8,702)	810	47,842	68,967	140,973	93,131
Regular Instruction Program	586,504	0	10,500	597,004	493,386	711,790	114,786
Special Education Program	88,826	0	0	88,826	94,637	130,521	41,695
Career and Technical Education Program	2,846	0	0	2,846	3,223	2,846	0
Technology	4,213	0	18,419	22,632	0	44,080	21,448
Director of Schools	1,074	0	0	1,074	0	1,074	0
Office of the Principal	32,590	0	0	32,590	0	32,590	0
Fiscal Services	6,380	0	0	6,380	0	6,380	0
Operation of Plant	31,537	0	43,598	75,135	0	112,037	36,902
Maintenance of Plant	4,112	0	0	4,112	0	379,232	375,120
Transportation	81,332	0	98,105	179,437	62,860	218,712	39,275
<u>Operation of Non-Instructional Services</u>							
Food Service	39,373	0	0	39,373	0	39,373	0
Early Childhood Education	9,665	0	0	9,665	0	9,665	0
<u>Capital Outlay</u>							
Regular Capital Outlay	0	0	0	0	0	336,100	336,100
Total Expenditures	\$ 3,558,749	\$ (20,903)	\$ 788,516	\$ 4,326,362	\$ 1,920,619	\$ 6,085,618	\$ 1,759,256

(Continued)

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (123,235)	\$ 20,903	\$ (788,516)	\$ (890,848)	\$ 17,889	\$ 140,690	\$ (1,031,538)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 500,000	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Transfers Out	(23,527)	0	0	(23,527)	(17,888)	(140,689)	117,162
Total Other Financing Sources	\$ 476,473	\$ 0	\$ 0	\$ 476,473	\$ (17,888)	\$ 359,311	\$ 117,162
Net Change in Fund Balance	\$ 353,238	\$ 20,903	\$ (788,516)	\$ (414,375)	\$ 1	\$ 500,001	\$ (914,376)
Fund Balance, July 1, 2020	221,672	(20,903)	0	200,769	93,538	93,538	107,231
Fund Balance, June 30, 2021	\$ 574,910	\$ 0	\$ (788,516)	\$ (213,606)	\$ 93,539	\$ 593,539	\$ (807,145)

Exhibit I-10

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 55,413	\$ 0	\$ 55,413	\$ 473,000	\$ 473,000	\$ (417,587)
Other Local Revenues	15,694	0	15,694	20,000	20,000	(4,306)
State of Tennessee	16,995	0	16,995	20,000	20,000	(3,005)
Federal Government	1,580,738	0	1,580,738	1,525,000	1,525,000	55,738
Total Revenues	<u>\$ 1,668,840</u>	<u>\$ 0</u>	<u>\$ 1,668,840</u>	<u>\$ 2,038,000</u>	<u>\$ 2,038,000</u>	<u>\$ (369,160)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 1,848,181	\$ (35)	\$ 1,848,146	\$ 2,038,000	\$ 2,053,500	\$ 205,354
Total Expenditures	<u>\$ 1,848,181</u>	<u>\$ (35)</u>	<u>\$ 1,848,146</u>	<u>\$ 2,038,000</u>	<u>\$ 2,053,500</u>	<u>\$ 205,354</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (179,341)	\$ 35	\$ (179,306)	\$ 0	\$ (15,500)	\$ (163,806)
Net Change in Fund Balance	\$ (179,341)	\$ 35	\$ (179,306)	\$ 0	\$ (15,500)	\$ (163,806)
Fund Balance, July 1, 2020	<u>296,443</u>	<u>(35)</u>	<u>296,408</u>	<u>276,563</u>	<u>276,563</u>	<u>19,845</u>
Fund Balance, June 30, 2021	<u>\$ 117,102</u>	<u>\$ 0</u>	<u>\$ 117,102</u>	<u>\$ 276,563</u>	<u>\$ 261,063</u>	<u>\$ (143,961)</u>

Exhibit I-11

Overton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Overton County School Department  
Education 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	\$ 658,943	\$ 601,244	\$ 601,244	\$ 57,699
Total Revenues	\$ 658,943	\$ 601,244	\$ 601,244	\$ 57,699
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 968,953	\$ 1,036,096	\$ 1,007,751	\$ 38,798
<u>Interest on Debt</u>				
Education	174,916	176,950	203,295	28,379
<u>Other Debt Service</u>				
Education	7,211	6,800	8,800	1,589
Total Expenditures	\$ 1,151,080	\$ 1,219,846	\$ 1,219,846	\$ 68,766
Excess (Deficiency) of Revenues Over Expenditures	\$ (492,137)	\$ (618,602)	\$ (618,602)	\$ 126,465
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 672,109	\$ 672,109	\$ 672,109	\$ 0
Total Other Financing Sources	\$ 672,109	\$ 672,109	\$ 672,109	\$ 0
Net Change in Fund Balance	\$ 179,972	\$ 53,507	\$ 53,507	\$ 126,465
Fund Balance, July 1, 2020	1,071,090	813,306	813,306	257,784
Fund Balance, June 30, 2021	\$ 1,251,062	\$ 866,813	\$ 866,813	\$ 384,249

# MISCELLANEOUS SCHEDULES

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-21
<b><u>BONDS PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding - Series 2019	\$ 2,095,000	4 %	10-3-19	6-1-24	\$ 1,690,000	\$ 0	\$ 400,000	\$ 1,290,000
Total Payable through General Debt Service Fund					<u>\$ 1,690,000</u>	<u>\$ 0</u>	<u>\$ 400,000</u>	<u>\$ 1,290,000</u>
<u>Contributions Due by the Overton County Health and Rehab Center to the General Debt Service Fund</u>								
Nursing Home Improvements	4,150,000	2.58	5-9-12	4-1-33	\$ 2,815,000	\$ 0	\$ 180,000	\$ 2,635,000
Nursing Home Renovation and Construction	4,965,000	2.91	6-26-17	4-1-42	4,670,000	0	155,000	4,515,000
Total Contributions Due by the Overton County Health and Rehab Center to the General Debt Service Fund					<u>\$ 7,485,000</u>	<u>\$ 0</u>	<u>\$ 335,000</u>	<u>\$ 7,150,000</u>
<u>Contributions Due by the School Department from the Education Debt Service Fund to the General Debt Service Fund</u>								
School Refunding Bonds, Series 2015	4,230,000	2 to 4	3-5-15	6-1-25	\$ 4,055,250	\$ 0	\$ 755,000	\$ 3,300,250
Total Contributions Due by the School Department from the Education Debt Service Fund to the General Debt Service Fund					<u>\$ 4,055,250</u>	<u>\$ 0</u>	<u>\$ 755,000</u>	<u>\$ 3,300,250</u>
Total Bonds Payable					<u>\$ 13,230,250</u>	<u>\$ 0</u>	<u>\$ 1,490,000</u>	<u>\$ 11,740,250</u>
<b><u>NOTES PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
County Services Building	3,420,000	3.124	12-28-18	5-1-27	\$ 2,455,000	\$ 0	\$ 920,000 (1)	\$ 1,535,000
Road and Bridge Projects	1,200,000	2.675	7-31-20	6-2-23	0	1,200,000	935,000	265,000
Road and Bridge Projects	700,000	2.997	3-21-21	6-1-25	0	700,000	130,000	570,000
Total Notes Payable					<u>\$ 2,455,000</u>	<u>\$ 1,900,000</u>	<u>\$ 1,985,000</u>	<u>\$ 2,370,000</u>
<b><u>OTHER LOANS PAYABLE</u></b>								
<u>Contributions Due by the School Department from the Education Debt Service Fund to the General Debt Service Fund</u>								
Tennessee Energy Efficiency School Initiative Loan	2,925,917	1	1-29-19	6-1-32	\$ 2,925,917	\$ 0	\$ 213,953	\$ 2,711,964

(1) During the year, the county paid additional principal of \$650,000 on this note. As a result, the amortization of this note has been recalculated and the new estimated maturity date is now 5-1-27.



Exhibit J-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2022	\$ 1,550,000	\$ 386,442	\$ 1,936,442
2023	1,600,000	337,413	1,937,413
2024	1,665,000	278,150	1,943,150
2025	1,210,250	216,369	1,426,619
2026	385,000	170,719	555,719
2027	400,000	160,195	560,195
2028	410,000	149,000	559,000
2029	425,000	138,201	563,201
2030	435,000	126,712	561,712
2031	450,000	114,163	564,163
2032	465,000	101,175	566,175
2033	475,000	87,225	562,225
2034	220,000	72,650	292,650
2035	230,000	66,050	296,050
2036	235,000	59,150	294,150
2037	245,000	51,512	296,512
2038	250,000	43,550	293,550
2039	260,000	35,425	295,425
2040	270,000	26,975	296,975
2041	275,000	18,200	293,200
2042	285,000	9,263	294,263
Total	\$ 11,740,250	\$ 2,648,539	\$ 14,388,789

Year Ending June 30	Notes		Total
	Principal	Interest	
2022	\$ 655,000	\$ 72,139	\$ 727,139
2023	455,000	52,907	507,907
2024	445,000	39,003	484,003
2025	455,000	25,168	480,168
2026	320,000	11,250	331,250
2027	40,000	1,250	41,250
Total	\$ 2,370,000	\$ 201,717	\$ 2,571,717

(Continued)

Exhibit J-2

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

Year Ending June 30	Other Loans		Total
	Principal	Interest	
2022	\$ 235,356	\$ 26,592	\$ 261,948
2023	237,720	24,228	261,948
2024	240,108	21,840	261,948
2025	242,520	19,428	261,948
2026	244,956	16,992	261,948
2027	247,416	14,532	261,948
2028	249,912	12,036	261,948
2029	252,420	9,528	261,948
2030	257,112	6,996	264,108
2031	257,508	4,440	261,948
2032	246,936	1,848	248,784
Total	\$ 2,711,964	\$ 158,460	\$ 2,870,424

Exhibit J-3

Overton County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Overton 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>			
Solid Waste/Sanitation	General	Operations	\$ 32,000
Total Transfers Primary Government			<u>\$ 32,000</u>
<u>DISCRETELY PRESENTED OVERTON</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Education Debt Service	Debt retirement	\$ 672,109
"	School Federal Projects	Cash flow	500,000
School Federal Projects	General Purpose School	Indirect cost	<u>23,527</u>
Total Transfers Discretely Presented Overton County School Department			<u>\$ 1,195,636</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 88,551	(2)	
Highway Superintendent	Section 8-24-102, <i>TCA</i>	84,336	\$ 100,000	Western Surety Company
Director of Schools:				
Dr. Mark Winningham (7-1-20 to 1-12-21)	State Board of Education and County Board of Education	43,629	100,000	(2) RLI Insurance Company
Dr. Donnie Holman (1-13-21 to 6-30-21)	State Board of Education and County Board of Education	43,500 (1)	(2)	
Trustee	Section 8-24-102, <i>TCA</i>	76,669	987,641	Pennsylvania National Mutual Casualty Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	76,669	(2)	
County Clerk	Section 8-24-102, <i>TCA</i>	76,669	(2)	
Circuit and General Sessions Courts Clerk and Master	Section 8-24-102, <i>TCA</i>	76,669	(2)	
	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	76,669 (3)	(2)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	76,669	(2)	
Sheriff	Section 8-24-102, <i>TCA</i>	84,336 (4)	(2)	
Director of Accounts and Budgets	Section 5-13-103, <i>TCA</i> , and County Commission	56,390	(2)	
Employee Blanket Bonds:				
Public Employees Dishonesty - County Departments			400,000	Local Government Insurance Pool
Public Employees Dishonesty - School Department			400,000	Tennessee Risk Management Trust

- (1) Does not include CEO salary supplement of \$800.  
(2) Official was covered by the \$400,000 employee blanket bond.  
(3) Does not include special commissioner fees of \$14,250.  
(4) Does not include a law enforcement training supplement of \$800.

Exhibit J-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,807,415	\$ 0	\$ 333,413	\$ 0	\$ 0
Trustee's Collections - Prior Year	158,685	0	11,530	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	38,925	0	2,830	0	0
Interest and Penalty	46,933	0	3,396	0	0
Payments in-Lieu-of Taxes - Local Utilities	334,001	0	23,165	0	0
Payments in-Lieu-of Taxes - Other	4,766	0	331	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	821,426	0	861,156	0	0
Hotel/Motel Tax	50,736	0	0	0	0
Litigation Tax - General	58,210	323	0	0	0
Litigation Tax - Special Purpose	0	64	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	12,822	0	0	0	0
Business Tax	186,693	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	81,415	0	5,646	0	0
Beer Privilege Tax	1,805	0	0	0	0
Total Local Taxes	\$ 6,603,832	\$ 387	\$ 1,241,467	\$ 0	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 37,360	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Beer Permits	1,283	0	0	0	0
Total Licenses and Permits	\$ 38,643	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control		
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 16,649	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	4,647	0	0	0	0	0
Drug Control Fines	0	0	0	17,320	0	0
Veterans Treatment Court Fees	696	0	0	0	0	0
Jail Fees	2,831	0	0	0	0	0
DUI Treatment Fines	598	0	0	0	0	0
Data Entry Fee - Circuit Court	1,406	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0
<u>Criminal Court</u>						
Drug Court Fees	1,993	0	0	0	0	0
DUI Treatment Fines	1,425	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	14,535	0	0	0	0	0
Officers Costs	24,151	0	0	0	0	0
Game and Fish Fines	184	0	0	0	0	0
Drug Control Fines	0	0	0	1,805	0	0
Drug Court Fees	4,000	0	0	329	0	0
Veterans Treatment Court Fees	2,772	0	0	0	0	0
Jail Fees	19,122	0	0	0	0	0
DUI Treatment Fines	95	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,110	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	119	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,558	0	0	0	0	0
Data Entry Fee - Chancery Court	2,460	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 14,449	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 104,357	\$ 0	\$ 0	\$ 33,903	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 282,722	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	0	15,314	0	0
Patient Charges	1,570,970	0	0	0	0
Service Charges	62	0	0	0	0
<u>Fees</u>					
Copy Fees	1,664	0	0	0	0
Greenbelt Late Application Fee	350	0	0	0	0
Telephone Commissions	42,899	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	3,631
Data Processing Fee - Register	10,486	0	0	0	0
Data Processing Fee - Sheriff	1,311	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,500	0	0	0	0
Data Processing Fee - County Clerk	2,681	0	0	0	0
<u>Education Charges</u>					
Tuition - Other	90,825	0	0	0	0
Total Charges for Current Services	\$ 1,725,748	\$ 0	\$ 298,036	\$ 0	\$ 3,631
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control		
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Lease/Rentals	\$ 28,405	\$ 0	\$ 0	\$ 0	\$ 0	0
Commissary Sales	57,296	0	0	0	0	0
Sale of Recycled Materials	2,479	0	53,781	0	0	0
E-Rate Funding	457	0	0	0	0	0
Miscellaneous Refunds	49,511	0	2,634	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	26,605	0	0	22,599	0	0
Damages Recovered from Individuals	1,430	0	0	2,467	0	0
Contributions and Gifts	5	0	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 166,188</b>	<b>\$ 0</b>	<b>\$ 56,415</b>	<b>\$ 25,066</b>	<b>\$ 0</b>	<b>0</b>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 289,249	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	56,420	0	0	0	0	0
General Sessions Court Clerk	79,855	0	0	0	0	0
Clerk and Master	69,913	0	0	0	0	0
Register	142,814	0	0	0	0	0
Sheriff	12,021	0	0	0	0	0
Trustee	354,167	0	0	0	0	0
<b>Total Fees Received From County Officials</b>	<b>\$ 1,004,439</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	8,113	0	0	0	0	0

(Continued)



Exhibit J-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees
<u>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	\$ 20,800	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>					
Litter Program	42,211	0	0	0	0
Other Public Works Grants	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	20,886	0	0	0	0
Beer Tax	18,369	0	0	0	0
Vehicle Certificate of Title Fees	7,591	0	0	0	0
Alcoholic Beverage Tax	73,573	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0
State Revenue Sharing - Telecommunications	87,295	0	0	0	0
State Shared Sports Gaming Privilege Tax	6,661	0	0	0	0
Emergency Hospital - Prisoners	731	0	0	0	0
Contracted Prisoner Boarding	826,018	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	933,970	0	0	0	0
Other State Revenues	172,908	0	0	0	0
Total State of Tennessee	\$ 2,243,290	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	0
COVID-19 Grant A	330,154	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant B	\$ 2,400	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant C	7,000	0	0	0	0
COVID-19 Grant D	7,665	0	0	0	0
Other Federal through State	128,553	0	0	0	0
<u>Direct Federal Revenue</u>					
COVID-19 Grant #7	14,113	0	0	0	0
COVID-19 Grant #8	3,722	0	0	0	0
COVID-19 Grant #10	6,907	0	0	0	0
Other Direct Federal Revenue	161,040	0	0	0	0
Total Federal Government	\$ 661,554	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 27,384	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	77,239	0	0	0	0
<u>Citizens Groups</u>					
Donations	3,429	0	0	0	0
<u>Other</u>					
Other	1,466	0	0	0	0
Total Other Governments and Citizens Groups	\$ 109,518	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 12,657,569	\$ 387	\$ 1,595,918	\$ 58,969	\$ 3,631

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 333,412	\$ 372,645	\$ 0	\$ 5,846,885
Trustee's Collections - Prior Year	11,530	12,702	0	194,447
Circuit Clerk/Clerk and Master Collections - Prior Years	2,830	3,117	0	47,702
Interest and Penalty	3,396	3,745	0	57,470
Payments in-Lieu-of Taxes - Local Utilities	23,165	25,890	0	406,221
Payments in-Lieu-of Taxes - Other	331	370	0	5,798
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	1,682,582
Hotel/Motel Tax	0	0	0	50,736
Litigation Tax - General	0	0	0	58,533
Litigation Tax - Special Purpose	0	0	0	64
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	12,822
Business Tax	0	0	0	186,693
Mineral Severance Tax	93,351	0	0	93,351
<u>Statutory Local Taxes</u>				
Bank Excise Tax	5,646	6,311	0	99,018
Beer Privilege Tax	0	0	0	1,805
Total Local Taxes	<u>\$ 473,661</u>	<u>\$ 424,780</u>	<u>\$ 0</u>	<u>\$ 8,744,127</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 37,360
<u>Permits</u>				
Beer Permits	0	0	0	1,283
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 38,643</u>

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	16,649
Officers Costs	0	0	0	4,647
Drug Control Fines	0	0	0	17,320
Veterans Treatment Court Fees	0	0	0	696
Jail Fees	0	0	0	2,831
DUI Treatment Fines	0	0	0	598
Data Entry Fee - Circuit Court	0	0	0	1,406
Courtroom Security Fee	0	0	0	6
<u>Criminal Court</u>				
Drug Court Fees	0	0	0	1,993
DUI Treatment Fines	0	0	0	1,425
<u>General Sessions Court</u>				
Fines	0	0	0	14,535
Officers Costs	0	0	0	24,151
Game and Fish Fines	0	0	0	184
Drug Control Fines	0	0	0	1,805
Drug Court Fees	0	0	0	4,329
Veterans Treatment Court Fees	0	0	0	2,772
Jail Fees	0	0	0	19,122
DUI Treatment Fines	0	0	0	95
Data Entry Fee - General Sessions Court	0	0	0	5,110
<u>Juvenile Court</u>				
Fines	0	0	0	119
<u>Chancery Court</u>				
Officers Costs	0	0	0	1,558
Data Entry Fee - Chancery Court	0	0	0	2,460

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 14,449
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 138,260
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 282,722
Surcharge - Waste Tire Disposal	0	0	0	15,314
Patient Charges	0	0	0	1,570,970
Service Charges	0	0	0	62
<u>Fees</u>				
Copy Fees	0	0	0	1,664
Greenbelt Late Application Fee	0	0	0	350
Telephone Commissions	0	0	0	42,899
Constitutional Officers' Fees and Commissions	0	0	0	3,631
Data Processing Fee - Register	0	0	0	10,486
Data Processing Fee - Sheriff	0	0	0	1,311
Sexual Offender Registration Fee - Sheriff	0	0	0	4,500
Data Processing Fee - County Clerk	0	0	0	2,681
<u>Education Charges</u>				
Tuition - Other	0	0	0	90,825
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 2,027,415
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 33,895	\$ 0	\$ 33,895

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Other Local Revenues (Cont.)</u>				
<u>Recurring Items (Cont.)</u>				
Lease/Rentals	\$ 0	\$ 0	\$ 0	\$ 28,405
Commissary Sales	0	0	0	57,296
Sale of Recycled Materials	3,345	0	0	59,605
E-Rate Funding	0	0	0	457
Miscellaneous Refunds	8,829	0	12,815	73,789
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	0	49,204
Damages Recovered from Individuals	0	0	0	3,897
Contributions and Gifts	0	0	0	5
Total Other Local Revenues	<u>\$ 12,174</u>	<u>\$ 33,895</u>	<u>\$ 12,815</u>	<u>\$ 306,553</u>
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 289,249
Circuit Court Clerk	0	0	0	56,420
General Sessions Court Clerk	0	0	0	79,855
Clerk and Master	0	0	0	69,913
Register	0	0	0	142,814
Sheriff	0	0	0	12,021
Trustee	0	0	0	354,167
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,004,439</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	0	8,113

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>				
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 20,800
<u>Public Works Grants</u>				
Litter Program	0	0	0	42,211
Other Public Works Grants	41,746	0	0	41,746
<u>Other State Revenues</u>				
Income Tax	0	0	0	20,886
Beer Tax	0	0	0	18,369
Vehicle Certificate of Title Fees	0	0	0	7,591
Alcoholic Beverage Tax	0	0	0	73,573
State Revenue Sharing - T.V.A.	0	590,181	0	590,181
State Revenue Sharing - Telecommunications	0	0	0	87,295
State Shared Sports Gaming Privilege Tax	0	0	0	6,661
Emergency Hospital - Prisoners	0	0	0	731
Contracted Prisoner Boarding	0	0	0	826,018
Gasoline and Motor Fuel Tax	2,334,670	0	0	2,334,670
Petroleum Special Tax	15,934	0	0	15,934
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	1,401,507	0	2,335,477
Other State Revenues	0	0	0	172,908
Total State of Tennessee	\$ 2,392,350	\$ 1,991,688	\$ 0	\$ 6,627,328
<u>Federal Government</u>				
<u>Federal Through State</u>				
Disaster Relief	\$ 182,294	\$ 0	\$ 0	\$ 182,294
COVID-19 Grant A	0	0	0	330,154

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
COVID-19 Grant B	\$ 0	\$ 0	\$ 0	\$ 2,400
COVID-19 Grant C	0	0	0	7,000
COVID-19 Grant D	0	0	0	7,665
Other Federal through State	0	0	0	128,553
<u>Direct Federal Revenue</u>				
COVID-19 Grant #7	0	0	0	14,113
COVID-19 Grant #8	0	0	0	3,722
COVID-19 Grant #10	0	0	0	6,907
Other Direct Federal Revenue	98,753	0	0	259,793
Total Federal Government	<u>\$ 281,047</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 942,601</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 27,384
Contributions	0	1,696,688	0	1,773,927
<u>Citizens Groups</u>				
Donations	0	0	0	3,429
<u>Other</u>				
Other	0	0	0	1,466
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 1,696,688</u>	<u>\$ 0</u>	<u>\$ 1,806,206</u>
Total	<u>\$ 3,159,232</u>	<u>\$ 4,147,051</u>	<u>\$ 12,815</u>	<u>\$ 21,635,572</u>



Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Debt Service	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,882,805	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,882,805
Trustee's Collections - Prior Year	62,637	0	0	0	0	62,637
Circuit Clerk/Clerk and Master Collections - Prior Years	13,604	0	0	0	0	13,604
Interest and Penalty	18,037	0	0	0	0	18,037
Payments in-Lieu-of Taxes - Local Utilities	130,809	0	0	0	0	130,809
Payments in-Lieu-of Taxes - Other	1,866	0	0	0	0	1,866
<u>County Local Option Taxes</u>						
Local Option Sales Tax	2,934,181	0	0	0	0	2,934,181
Wheel Tax	0	0	0	0	658,943	658,943
Mixed Drink Tax	14,171	0	0	0	0	14,171
Other County Local Option Taxes	210	0	0	0	0	210
<u>Statutory Local Taxes</u>						
Bank Excise Tax	31,886	0	0	0	0	31,886
Wholesale Beer Tax	123,573	0	0	0	0	123,573
Total Local Taxes	\$ 5,213,779	\$ 0	\$ 0	\$ 0	\$ 658,943	\$ 5,872,722
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,340	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,340
Total Licenses and Permits	\$ 1,340	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,340
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 19,285	\$ 0	\$ 0	\$ 19,285

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Debt Service	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 18,208	\$ 0	\$ 0	\$ 18,208
Income from Breakfast	0	0	3,386	0	0	3,386
A la Carte Sales	0	0	14,534	0	0	14,534
Receipts from Individual Schools	5,202	0	0	0	0	5,202
Total Charges for Current Services	\$ 5,202	\$ 0	\$ 55,413	\$ 0	\$ 0	\$ 60,615
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 17,658	\$ 0	\$ 123	\$ 0	\$ 0	\$ 17,781
Lease/Rentals	14,292	0	0	0	0	14,292
Sale of Materials and Supplies	809	0	0	0	0	809
E-Rate Funding	34,755	0	0	0	0	34,755
Miscellaneous Refunds	45,951	0	15,571	0	0	61,522
<u>Nonrecurring Items</u>						
Sale of Equipment	13,085	0	0	0	0	13,085
Contributions and Gifts	6,328	0	0	0	0	6,328
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	664,729	0	664,729
Total Other Local Revenues	\$ 132,878	\$ 0	\$ 15,694	\$ 664,729	\$ 0	\$ 813,301
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 135,755	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,755

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Debt Service	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 19,229,914	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,229,914
Early Childhood Education	302,054	0	0	0	0	302,054
School Food Service	0	0	16,995	0	0	16,995
Driver Education	10,876	0	0	0	0	10,876
Other State Education Funds	629,079	0	0	0	0	629,079
Career Ladder Program	51,874	0	0	0	0	51,874
<u>Other State Revenues</u>						
Other State Grants	195,123	0	0	0	0	195,123
Safe Schools	74,570	0	0	0	0	74,570
Total State of Tennessee	\$ 20,629,245	\$ 0	\$ 16,995	\$ 0	\$ 0	\$ 20,646,240
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,038,427	\$ 0	\$ 0	\$ 1,038,427
USDA - Commodities	0	0	119,197	0	0	119,197
Breakfast	0	0	387,143	0	0	387,143
USDA - Other	0	0	35,971	0	0	35,971
Vocational Education - Basic Grants to States	0	58,259	0	0	0	58,259
Other Vocational	0	179,772	0	0	0	179,772
Title I Grants to Local Education Agencies	0	777,428	0	0	0	777,428
Special Education - Grants to States	0	773,508	0	0	0	773,508
Special Education Preschool Grants	0	23,989	0	0	0	23,989
Rural Education	0	50,006	0	0	0	50,006
21st Century Community Learning Centers	331,760	0	0	0	0	331,760

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Debt Service Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Debt Service	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Eisenhower Professional Development State Grants	\$ 0	\$ 140,430	\$ 0	\$ 0	\$ 0	\$ 140,430
COVID-19 Grant #1	0	608,543	0	0	0	608,543
COVID-19 Grant #2	100,000	0	0	0	0	100,000
COVID-19 Grant #3	0	60,000	0	0	0	60,000
COVID-19 Grant #4	169,991	0	0	0	0	169,991
COVID-19 Grant B	0	728,246	0	0	0	728,246
Other Federal through State	142,933	35,333	0	0	0	178,266
Total Federal Government	\$ 744,684	\$ 3,435,514	\$ 1,580,738	\$ 0	\$ 0	\$ 5,760,936
Total	\$ 26,727,128	\$ 3,435,514	\$ 1,668,840	\$ 664,729	\$ 658,943	\$ 33,155,154

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	81,730	
Social Security		6,150	
Pensions		1,250	
Medical Insurance		11,908	
Audit Services		8,833	
Dues and Memberships		3,154	
Total County Commission			\$ 113,025

Board of Equalization

Board and Committee Members Fees	\$	800	
Legal Notices, Recording, and Court Costs		63	
Total Board of Equalization			863

County Mayor/Executive

County Official/Administrative Officer	\$	88,551	
Supervisor/Director		39,059	
Deputy(ies)		28,080	
Social Security		11,508	
Pensions		8,423	
Medical Insurance		16,404	
Communication		3,760	
Data Processing Services		14,974	
Dues and Memberships		1,520	
Legal Notices, Recording, and Court Costs		2,817	
Maintenance and Repair Services - Vehicles		182	
Postal Charges		3,759	
Other Contracted Services		1,320	
Gasoline		459	
Office Supplies		6,068	
Office Equipment		2,267	
Total County Mayor/Executive			229,151

County Attorney

Social Security	\$	620	
Legal Services		25,896	
Total County Attorney			26,516

Election Commission

County Official/Administrative Officer	\$	69,002	
Deputy(ies)		31,958	
Election Commission		4,760	
Election Workers		18,288	
Social Security		8,513	
Pensions		5,462	
Medical Insurance		5,954	
Communication		1,914	
Data Processing Services		3,305	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Legal Notices, Recording, and Court Costs	\$	2,679	
Maintenance and Repair Services - Equipment		10,500	
Postal Charges		1,307	
Printing, Stationery, and Forms		800	
Other Contracted Services		23,168	
Office Supplies		1,607	
Office Equipment		252	
Other Equipment		9,327	
Total Election Commission			\$ 198,796

Register of Deeds

County Official/Administrative Officer	\$	76,669	
Deputy(ies)		28,644	
Accountants/Bookkeepers		25,462	
Social Security		9,592	
Pensions		7,075	
Medical Insurance		16,404	
Communication		1,983	
Data Processing Services		9,369	
Dues and Memberships		687	
Other Contracted Services		240	
Office Supplies		1,932	
Office Equipment		377	
Total Register of Deeds			178,434

Planning

Board and Committee Members Fees	\$	3,910	
Social Security		299	
Contracts with Government Agencies		12,750	
Total Planning			16,959

County Buildings

Custodial Personnel	\$	29,888	
Maintenance Personnel		29,888	
Part-time Personnel		5,462	
Social Security		4,967	
Pensions		3,234	
Medical Insurance		5,954	
Communication		15,340	
Maintenance and Repair Services - Buildings		68,409	
Maintenance and Repair Services - Equipment		523	
Maintenance and Repair Services - Vehicles		1,172	
Other Contracted Services		16,550	
Custodial Supplies		7,231	
Electricity		85,997	
Gasoline		2,975	
Natural Gas		17,618	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Small Tools	\$	499	
Uniforms		2,284	
Other Supplies and Materials		56	
Other Charges		340	
Other Equipment		35	
Total County Buildings			\$ 298,422

Other General Administration

Teachers	\$	500	
Social Security		113	
On-behalf Payments to OPEB		825	
Evaluation and Testing		486	
Remittance of Revenue Collected		17,529	
Other Contracted Services		2,800	
Other Supplies and Materials		9,577	
Liability Insurance		379,061	
Trustee's Commission		154,985	
Workers' Compensation Insurance		318,992	
Other Charges		4,677	
Office Equipment		48,225	
Total Other General Administration			937,770

Preservation of Records

Supervisor/Director	\$	8,198	
Social Security		611	
Pensions		88	
Office Supplies		1,664	
Total Preservation of Records			10,561

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	56,390	
Social Security		4,309	
Pensions		3,050	
Dues and Memberships		100	
Total Accounting and Budgeting			63,849

Property Assessor's Office

County Official/Administrative Officer	\$	76,669	
Deputy(ies)		33,924	
Assessment Personnel		29,357	
Clerical Personnel		19,890	
Social Security		11,740	
Pensions		7,949	
Medical Insurance		11,059	
Communication		2,982	
Data Processing Services		2,914	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Dues and Memberships	\$	1,572	
Maintenance and Repair Services - Equipment		110	
Maintenance and Repair Services - Vehicles		569	
Postal Charges		957	
Other Contracted Services		9,210	
Gasoline		1,645	
Office Supplies		1,261	
Other Charges		4,950	
Office Equipment		529	
Total Property Assessor's Office			\$ 217,287

County Trustee's Office

County Official/Administrative Officer	\$	76,669	
Deputy(ies)		32,600	
Accountants/Bookkeepers		25,210	
Social Security		9,996	
Pensions		7,275	
Medical Insurance		18,508	
Communication		2,185	
Data Processing Services		14,216	
Dues and Memberships		807	
Legal Notices, Recording, and Court Costs		93	
Postal Charges		2,859	
Other Contracted Services		9,809	
Office Supplies		1,842	
Total County Trustee's Office			202,069

County Clerk's Office

County Official/Administrative Officer	\$	76,669	
Deputy(ies)		30,394	
Accountants/Bookkeepers		26,589	
Clerical Personnel		45,488	
Social Security		13,336	
Pensions		9,252	
Medical Insurance		23,243	
Communication		2,312	
Dues and Memberships		687	
Legal Notices, Recording, and Court Costs		365	
Postal Charges		9,351	
Travel		63	
Other Contracted Services		9,324	
Office Supplies		3,975	
Total County Clerk's Office			251,048

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	76,669	
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(Continued)



Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Deputy(ies)	\$	32,926	
Accountants/Bookkeepers		49,782	
Clerical Personnel		48,218	
Other Salaries and Wages		3,600	
Jury and Witness Expense		2,195	
Social Security		15,961	
Pensions		11,270	
Medical Insurance		34,710	
Communication		4,134	
Data Processing Services		15,596	
Dues and Memberships		1,287	
Legal Notices, Recording, and Court Costs		175	
Postal Charges		1,375	
Other Contracted Services		360	
Office Supplies		1,584	
Office Equipment		1,099	
Total Circuit Court	\$		300,941

General Sessions Court

Judge(s)	\$	106,549	
Deputy(ies)		28,644	
Social Security		10,230	
Pensions		7,314	
Medical Insurance		5,954	
Dues and Memberships		150	
Travel		100	
Office Supplies		3,736	
Total General Sessions Court			162,677

Drug Court

Supervisor/Director	\$	50,983	
Guidance Personnel		35,790	
Part-time Personnel		600	
Communication		5,615	
Dues and Memberships		2,120	
Legal Notices, Recording, and Court Costs		109	
Travel		2,032	
Drug Treatment		6,202	
Other Contracted Services		24,579	
Drugs and Medical Supplies		7,274	
Instructional Supplies and Materials		1,144	
Office Supplies		3,911	
Utilities		3,300	
Other Supplies and Materials		836	
Office Equipment		3,157	
Total Drug Court			147,652

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	76,669	
Deputy(ies)		36,371	
Accountants/Bookkeepers		31,068	
Clerical Personnel		48,954	
Social Security		14,113	
Pensions		6,297	
Medical Insurance		26,308	
Communication		3,909	
Data Processing Services		12,321	
Dues and Memberships		587	
Other Contracted Services		1,769	
Office Supplies		4,978	
Office Equipment		4,842	
Total Chancery Court			\$ 268,186

Juvenile Court

Guidance Personnel	\$	19,292	
Social Security		1,476	
Dues and Memberships		150	
Travel		615	
Other Contracted Services		600	
Total Juvenile Court			22,133

Judicial Commissioners

County Official/Administrative Officer	\$	16,856	
Social Security		1,278	
Total Judicial Commissioners			18,134

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	84,336	
Supervisor/Director		29,223	
Deputy(ies)		500,835	
Investigator(s)		228,903	
Captain(s)		50,749	
Lieutenant(s)		36,793	
Sergeant(s)		72,677	
Salary Supplements		20,000	
Clerical Personnel		50,130	
School Resource Officer		124,526	
Overtime Pay		48,319	
Other Salaries and Wages		2,100	
In-service Training		10,178	
Social Security		90,720	
Pensions		61,506	
Medical Insurance		147,082	
Communication		23,115	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Data Processing Services	\$	8,238	
Dues and Memberships		1,900	
Legal Notices, Recording, and Court Costs		447	
Maintenance and Repair Services - Equipment		7,681	
Maintenance and Repair Services - Vehicles		20,060	
Postal Charges		1,105	
Other Contracted Services		14,671	
Gasoline		86,340	
Instructional Supplies and Materials		569	
Law Enforcement Supplies		4,192	
Office Supplies		9,040	
Tires and Tubes		8,073	
Uniforms		5,745	
Vehicle Parts		16,223	
Other Supplies and Materials		21,027	
Law Enforcement Equipment		2,006	
Motor Vehicles		161,536	
Office Equipment		5,030	
Total Sheriff's Department			\$ 1,955,075

Special Patrols

Deputy(ies)	\$	28,623	
Social Security		2,154	
Pensions		1,533	
Medical Insurance		5,954	
Maintenance and Repair Services - Vehicles		2,340	
Disposal Fees		1,721	
Gasoline		1,669	
Other Supplies and Materials		1,479	
Total Special Patrols			45,473

Jail

Supervisor/Director	\$	35,924	
Lieutenant(s)		35,028	
Sergeant(s)		203,090	
Guards		411,048	
Maintenance Personnel		29,277	
Overtime Pay		20,892	
In-service Training		1,159	
Social Security		54,260	
Pensions		29,428	
Medical Insurance		104,150	
Evaluation and Testing		2,968	
Maintenance and Repair Services - Buildings		57,801	
Maintenance and Repair Services - Equipment		6,271	
Medical and Dental Services		213,118	
Travel		5,337	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Contracted Services	\$	24,758	
Custodial Supplies		46,889	
Diesel Fuel		292	
Electricity		42,045	
Food Supplies		121,808	
Gasoline		671	
Natural Gas		61,737	
Prisoners Clothing		6,477	
Uniforms		6,975	
Water and Sewer		372	
Other Supplies and Materials		12,225	
Other Charges		3,423	
Office Equipment		21,834	
Other Equipment		520	
Total Jail			\$ 1,559,777

Fire Prevention and Control

Contracts with Government Agencies	\$	1,000	
Contributions		103,200	
Electricity		2,260	
Liability Insurance		78,661	
Workers' Compensation Insurance		10,900	
Total Fire Prevention and Control			196,021

Civil Defense

Supervisor/Director	\$	4,820	
In-service Training		470	
Social Security		369	
Communication		948	
Dues and Memberships		110	
Maintenance and Repair Services - Vehicles		184	
Electricity		422	
Gasoline		2,270	
Total Civil Defense			9,593

Rescue Squad

Contributions	\$	10,100	
Total Rescue Squad			10,100

Other Emergency Management

Contributions	\$	150,000	
Total Other Emergency Management			150,000

County Coroner/Medical Examiner

Other Contracted Services	\$	38,834	
Total County Coroner/Medical Examiner			38,834

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	8,727	
Contracts with Other Public Agencies		18,180	
Maintenance and Repair Services - Buildings		4,393	
Other Contracted Services		11,100	
Office Supplies		430	
Utilities		12,319	
Other Supplies and Materials		330	
Total Local Health Center			\$ 55,479

Ambulance/Emergency Medical Services

Supervisor/Director	\$	65,038	
Accountants/Bookkeepers		36,483	
Paraprofessionals		750,801	
Clerical Personnel		20,192	
Attendants		339,018	
Overtime Pay		305,747	
In-service Training		370	
Social Security		111,740	
Pensions		75,650	
Medical Insurance		169,443	
Communication		17,869	
Data Processing Services		3,762	
Dues and Memberships		1,075	
Evaluation and Testing		3,344	
Licenses		4,037	
Maintenance and Repair Services - Buildings		7,377	
Maintenance and Repair Services - Equipment		10,058	
Maintenance and Repair Services - Vehicles		61,237	
Travel		250	
Tuition		14,447	
Other Contracted Services		48,062	
Custodial Supplies		6,700	
Drugs and Medical Supplies		125,777	
Electricity		17,400	
Gasoline		57,226	
Natural Gas		5,982	
Office Supplies		4,987	
Tires and Tubes		5,869	
Uniforms		15,372	
Water and Sewer		984	
Other Charges		2,292	
Motor Vehicles		308,000	
Office Equipment		7,296	
Other Equipment		202,435	
Total Ambulance/Emergency Medical Services			2,806,320

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

Contracts with Other Public Agencies	\$ 6,327	
Total Regional Mental Health Center		\$ 6,327

Other Public Health and Welfare

Cafeteria Personnel	\$ 21,462	
Social Security	1,625	
Licenses	50	
Custodial Supplies	5,064	
Food Preparation Supplies	45	
Food Supplies	31,103	
Gasoline	2,326	
Other Charges	2,555	
Total Other Public Health and Welfare		64,230

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$ 43,120	
Part-time Personnel	5,951	
Social Security	3,757	
Pensions	2,333	
Data Processing Services	494	
Licenses	70	
Maintenance and Repair Services - Vehicles	1,150	
Other Contracted Services	305	
Office Supplies	713	
Total Senior Citizens Assistance		57,893

Libraries

Librarians	\$ 37,124	
Clerical Personnel	26,368	
Part-time Personnel	32,202	
Social Security	6,452	
Pensions	3,435	
Medical Insurance	13,200	
Communication	3,079	
Data Processing Services	1,789	
Dues and Memberships	428	
Maintenance and Repair Services - Buildings	16,158	
Travel	50	
Custodial Supplies	1,014	
Library Books/Media	2,906	
Office Supplies	1,185	
Utilities	14,012	
Other Charges	2,614	
Office Equipment	1,358	
Total Libraries		163,374

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Communication	\$	1,224	
Contributions		4,500	
Other Charges		25,000	
Total Other Social, Cultural, and Recreational	\$		30,724

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	45,537	
Extension Service Medicare		3,409	
Pensions		4,636	
Medical Insurance		4,148	
Unemployment Compensation		93	
Other Fringe Benefits		1,299	
Communication		3,432	
Contributions		326	
Travel		1,913	
Workers' Compensation Insurance		71	
Office Equipment		1,621	
Total Agricultural Extension Service			66,485

Soil Conservation

Assistant(s)	\$	16,758	
Deputy(ies)		29,511	
Social Security		3,302	
Pensions		1,653	
Medical Insurance		9,573	
Total Soil Conservation			60,797

Other Operations

Tourism

Advertising	\$	8,393	
Total Tourism			8,393

Industrial Development

Contributions	\$	20,000	
Other Charges		6,952	
Total Industrial Development			26,952

Airport

Airport Improvement	\$	5,453	
Total Airport			5,453

Veterans' Services

Supervisor/Director	\$	16,037	
Social Security		1,214	
Pensions		132	
Communication		1,987	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Contributions	\$	4,053	
Data Processing Services		842	
Office Supplies		55	
Other Charges		2,500	
Office Equipment		904	
Total Veterans' Services			\$ 27,724

Contributions to Other Agencies

Contributions	\$	11,817	
Total Contributions to Other Agencies			11,817

COVID-19 Grant #6

Custodial Supplies	\$	3,812	
Drugs and Medical Supplies		2,982	
Total COVID-19 Grant #6			6,794

COVID-19 Grant #7

Election Workers	\$	5,570	
Social Security		146	
Office Supplies		2,415	
Office Equipment		297	
Total COVID-19 Grant #7			8,428

COVID-19 Grant #8

Data Processing Services	\$	65	
Custodial Supplies		269	
Office Equipment		2,855	
Other Equipment		533	
Total COVID-19 Grant #8			3,722

COVID-19 Grant #10

Other Supplies and Materials	\$	3,911	
Office Equipment		2,996	
Total COVID-19 Grant #10			6,907

COVID-19 Grant A

Maintenance and Repair Services - Buildings	\$	2,895	
Asphalt		32,755	
Motor Vehicles		113,400	
Other Equipment		80,276	
Total COVID-19 Grant A			229,326

COVID-19 Grant B

Food Supplies	\$	2,400	
Total COVID-19 Grant B			2,400

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

COVID-19 Grant C

Part-time Personnel	\$	1,427	
Social Security		55	
Other Contracted Services		30	
Custodial Supplies		1,773	
Food Supplies		3,715	
Total COVID-19 Grant C			\$ 7,000

COVID-19 Grant D

Other Charges	\$	7,665	
Total COVID-19 Grant D			7,665

Highways

Traffic Control

Road Signs	\$	3,780	
Total Traffic Control			3,780

Litter and Trash Collection

Supervisor/Director	\$	22,696	
Social Security		1,706	
Advertising		14,001	
Maintenance and Repair Services - Vehicles		90	
Custodial Supplies		1,147	
Gasoline		2,625	
Tires and Tubes		554	
Total Litter and Trash Collection			42,819

Total General Fund \$ 11,340,155

Courthouse and Jail Maintenance Fund

Other Operations

Other Charges

Trustee's Commission	\$	4	
Total Other Charges			\$ 4

Total Courthouse and Jail Maintenance Fund 4

Solid Waste/Sanitation Fund

General Government

Other General Administration

In-service Training	\$	75	
Data Processing Services		7,028	
Evaluation and Testing		446	
Legal Notices, Recording, and Court Costs		164	
Other Contracted Services		180	
Office Supplies		1,977	
Liability Insurance		26,631	
Trustee's Commission		19,851	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Workers' Compensation Insurance	\$	29,564	
Other Charges		227	
Office Equipment		1,247	
Total Other General Administration			\$ 87,390

Public Health and Welfare

Convenience Centers

Laborers	\$	144,622	
Social Security		11,004	
Pensions		27	
Medical Insurance		5,954	
Communication		4,884	
Maintenance and Repair Services - Buildings		210	
Maintenance and Repair Services - Equipment		1,977	
Rentals		4,200	
Custodial Supplies		216	
Electricity		7,418	
Water and Sewer		6,576	
Other Equipment		320	
Total Convenience Centers			187,408

Transfer Stations

Supervisor/Director	\$	50,340	
Deputy(ies)		30,088	
Foremen		33,154	
Equipment Operators		31,438	
Truck Drivers		95,426	
Social Security		18,063	
Pensions		12,607	
Medical Insurance		32,478	
Communication		1,003	
Licenses		2,700	
Maintenance and Repair Services - Buildings		13,371	
Maintenance and Repair Services - Equipment		23,014	
Disposal Fees		495,016	
Other Contracted Services		33,351	
Diesel Fuel		33,134	
Lubricants		864	
Tires and Tubes		6,417	
Other Supplies and Materials		161	
Total Transfer Stations			912,625

Recycling Center

Communication	\$	2,245	
Maintenance and Repair Services - Buildings		2,743	
Maintenance and Repair Services - Equipment		7,819	
Other Contracted Services		641	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Custodial Supplies	\$	2,990	
Electricity		3,577	
Gasoline		1,853	
Propane Gas		1,811	
Uniforms		4,731	
Water and Sewer		3,304	
Other Supplies and Materials		4,112	
Motor Vehicles		474	
Other Equipment		28,276	
Total Recycling Center	\$		64,576

Postclosure Care Costs

Testing	\$	39,507	
Total Postclosure Care Costs			39,507

Total Solid Waste/Sanitation Fund \$ 1,291,506

Drug Control Fund

Public Safety

Drug Enforcement

Dues and Memberships	\$	100	
Maintenance and Repair Services - Buildings		655	
Towing Services		125	
Veterinary Services		131	
Animal Food and Supplies		1,021	
Other Supplies and Materials		762	
Trustee's Commission		187	
Motor Vehicles		28,207	
Other Equipment		1,715	
Total Drug Enforcement	\$		32,903

Total Drug Control Fund 32,903

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	190	
Total County Trustee's Office	\$		190

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	3,441	
Total Chancery Court			3,441

Total Constitutional Officers - Fees Fund 3,631

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	84,336	
Supervisor/Director		40,144	
Overtime Pay		16,040	
Communication		5,319	
Dues and Memberships		3,446	
Evaluation and Testing		2,214	
Legal Notices, Recording, and Court Costs		690	
Licenses		56	
Maintenance and Repair Services - Buildings		3,310	
Travel		244	
Other Contracted Services		546	
Custodial Supplies		1,442	
Electricity		4,101	
Office Supplies		1,139	
Utilities		3,843	
Other Charges		1,141	
Total Administration			\$ 168,011

Highway and Bridge Maintenance

Supervisor/Director	\$	100,623	
Equipment Operators		329,603	
Truck Drivers		114,029	
Laborers		32,782	
Overtime Pay		58,271	
Rentals		11,394	
Asphalt - Cold Mix		200,799	
Asphalt - Hot Mix		33,474	
Asphalt - Liquid		274,559	
Crushed Stone		177,160	
Pipe		12,393	
Pipe - Metal		6,451	
Road Signs		10,560	
Other Supplies and Materials		6,043	
Other Charges		7,464	
Total Highway and Bridge Maintenance			1,375,605

Operation and Maintenance of Equipment

Supervisor/Director	\$	34,848	
Mechanic(s)		80,176	
Overtime Pay		3,736	
Freight Expenses		3,812	
Maintenance and Repair Services - Equipment		109,871	
Equipment and Machinery Parts		93,034	
Gasoline		134,940	
Lubricants		8,187	
Small Tools		4,526	
Tires and Tubes		24,186	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Uniforms	\$	2,580	
Other Charges		85	
Highway Equipment		215,413	
Total Operation and Maintenance of Equipment	\$		715,394

Quarry Operations

Supervisor/Director	\$	34,915	
Equipment Operators		62,700	
Overtime Pay		16,374	
Operating Lease Payments		9,600	
Permits		4,882	
Electricity		40,638	
Equipment and Machinery Parts		30,291	
Uniforms		1,522	
Total Quarry Operations			200,922

Other Charges

Liability Insurance	\$	53,262	
Trustee's Commission		32,439	
Workers' Compensation Insurance		88,317	
Total Other Charges			174,018

Employee Benefits

Social Security	\$	71,653	
Pensions		44,639	
Medical Insurance		257,181	
Unemployment Compensation		7,622	
Total Employee Benefits			381,095

Capital Outlay

Matching Share	\$	18,470	
Asphalt		186,670	
Bridge Construction		42,250	
Total Capital Outlay			247,390

Total Highway/Public Works Fund \$ 3,262,435

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	735,000	
Principal on Notes		1,985,000	
Total General Government	\$		2,720,000

Education

Principal on Bonds	\$	755,000	
Principal on Other Loans		213,953	
Total Education			968,953

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 284,819	
Interest on Notes	106,849	
Total General Government		\$ 391,668

Education

Interest on Bonds	\$ 148,750	
Interest on Other Loans	26,166	
Total Education		174,916

Other Debt Service

General Government

Fiscal Agent Charges	\$ 400	
Trustee's Commission	14,820	
Total General Government		15,220

Education

Other Debt Service	\$ 600	
Total Education		600

Total General Debt Service Fund \$ 4,271,357

General Capital Projects Fund

General Government

Other General Administration

Trustee's Commission	\$ 128	
Total Other General Administration		\$ 128

Capital Projects

General Administration Projects

Architects	\$ 10,308	
Other Contracted Services	9,098	
Office Supplies	750	
Building Construction	755,467	
Furniture and Fixtures	74,546	
Highway Equipment	141,044	
Office Equipment	5,448	
Other Equipment	9,335	
Total General Administration Projects		1,005,996

Total General Capital Projects Fund 1,006,124

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Engineering Services	\$ 275,340	
Fiscal Agent Charges	13,000	
Legal Services	6,500	

(Continued)

Exhibit J-7

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

<u>Highway Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Highway and Street Capital Projects (Cont.)</u>		
Legal Notices, Recording, and Court Costs	\$	2,140
Other Contracted Services		<u>1,130,204</u>
Total Highway and Street Capital Projects		<u>\$ 1,427,184</u>
Total Highway Capital Projects Fund		<u>\$ 1,427,184</u>
Total Governmental Funds - Primary Government		<u><u>\$ 22,635,299</u></u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	7,801,161	
Career Ladder Program		20,000	
Bus Drivers		250	
Educational Assistants		131,187	
Other Salaries and Wages		107,409	
Certified Substitute Teachers		26,460	
Non-certified Substitute Teachers		168,260	
Social Security		468,638	
Pensions		789,577	
Life Insurance		5,941	
Medical Insurance		1,541,497	
Unemployment Compensation		3,905	
Local Retirement		52,410	
Employer Medicare		108,222	
Payments to Retirees		171,212	
Other Contracted Services		412,510	
Instructional Supplies and Materials		88,397	
Textbooks - Bound		264,495	
Software		29,263	
Other Supplies and Materials		69,275	
In Service/Staff Development		135	
Fee Waivers		40,866	
Other Charges		1,064	
Regular Instruction Equipment		184,745	
Total Regular Instruction Program			\$ 12,486,879

Alternative Instruction Program

Teachers	\$	51,530	
Career Ladder Program		1,000	
Social Security		2,813	
Pensions		5,438	
Medical Insurance		9,786	
Unemployment Compensation		21	
Employer Medicare		658	
Total Alternative Instruction Program			71,246

Special Education Program

Teachers	\$	875,327	
Career Ladder Program		4,000	
Homebound Teachers		1,666	
Educational Assistants		167,648	
Speech Pathologist		58,142	
Other Salaries and Wages		9,752	
Certified Substitute Teachers		2,940	
Non-certified Substitute Teachers		540	
Social Security		60,597	

(Continued)



Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Pensions	\$	83,494	
Medical Insurance		240,813	
Unemployment Compensation		767	
Local Retirement		14,103	
Employer Medicare		14,335	
Payments to Retirees		1,960	
Instructional Supplies and Materials		3,637	
Other Supplies and Materials		742	
In Service/Staff Development		135	
Other Charges		238	
Total Special Education Program			\$ 1,540,836

Career and Technical Education Program

Teachers	\$	387,200	
Non-certified Substitute Teachers		960	
Social Security		21,976	
Pensions		37,090	
Medical Insurance		73,310	
Unemployment Compensation		184	
Local Retirement		1,832	
Employer Medicare		5,140	
Maintenance and Repair Services - Equipment		531	
Tuition		99,680	
Instructional Supplies and Materials		10,969	
Textbooks - Bound		750	
Other Supplies and Materials		8,744	
In Service/Staff Development		85	
Other Charges		2,914	
Regular Instruction Equipment		397	
Total Career and Technical Education Program			651,762

Support Services

Attendance

Supervisor/Director	\$	57,600
Career Ladder Program		500
Clerical Personnel		4,320
Other Salaries and Wages		72,142
Social Security		7,478
Pensions		13,718
Medical Insurance		22,383
Unemployment Compensation		42
Employer Medicare		1,749
Travel		522
Other Contracted Services		2,712
Software		18,243
Other Supplies and Materials		27

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

In Service/Staff Development	\$	591	
Attendance Equipment		2,366	
Total Attendance			\$ 204,393

Health Services

Supervisor/Director	\$	60,196	
Medical Personnel		119,703	
Other Salaries and Wages		280	
Social Security		9,455	
Pensions		11,905	
Medical Insurance		40,392	
Unemployment Compensation		143	
Local Retirement		1,832	
Employer Medicare		2,237	
Travel		3,278	
Other Supplies and Materials		4,897	
In Service/Staff Development		1,527	
Other Equipment		8,966	
Total Health Services			264,811

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		382,378	
Social Security		20,814	
Pensions		33,378	
Medical Insurance		80,313	
Unemployment Compensation		207	
Local Retirement		2,042	
Employer Medicare		4,868	
Contracts with Government Agencies		118,933	
Total Other Student Support			643,933

Regular Instruction Program

Supervisor/Director	\$	105,620
Teachers		1,140
Career Ladder Program		6,800
Librarians		267,083
Bus Drivers		185
Clerical Personnel		15,629
Other Salaries and Wages		149,515
Social Security		29,134
Pensions		54,740
Medical Insurance		87,720
Unemployment Compensation		79
Employer Medicare		6,808
Payments to Retirees		1,880

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$	6,055	
Other Contracted Services		2,919	
Instructional Supplies and Materials		1,003	
Library Books/Media		3,920	
Software		26,712	
Other Supplies and Materials		100,992	
In Service/Staff Development		15,146	
Other Charges		6,477	
Regular Instruction Equipment		2,659	
Total Regular Instruction Program			\$ 892,216

Special Education Program

Supervisor/Director	\$	56,200	
Career Ladder Program		1,000	
Psychological Personnel		49,180	
Medical Personnel		36,458	
Clerical Personnel		17,979	
Other Salaries and Wages		10,978	
Social Security		9,783	
Pensions		14,573	
Medical Insurance		25,176	
Unemployment Compensation		84	
Employer Medicare		2,288	
Travel		1,461	
Other Contracted Services		30,153	
Other Supplies and Materials		55	
In Service/Staff Development		276	
Other Equipment		489	
Total Special Education Program			256,133

Career and Technical Education Program

Supervisor/Director	\$	13,306	
Career Ladder Program		200	
Social Security		686	
Pensions		1,432	
Medical Insurance		2,623	
Unemployment Compensation		4	
Employer Medicare		160	
Total Career and Technical Education Program			18,411

Technology

Other Salaries and Wages	\$	94,462	
Social Security		5,377	
Pensions		6,208	
Medical Insurance		14,132	
Unemployment Compensation		50	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Employer Medicare	\$	1,258	
Travel		281	
Other Contracted Services		18,036	
Software		64,619	
Other Supplies and Materials		1,516	
Total Technology			\$ 205,939

Other Programs

On-behalf Payments to OPEB	\$	135,755	
Total Other Programs			135,755

Board of Education

Secretary to Board	\$	1,885	
Board and Committee Members Fees		23,370	
Social Security		1,074	
Pensions		109	
Unemployment Compensation		1	
Employer Medicare		345	
Audit Services		7,000	
Legal Services		30,294	
Medical and Dental Services		4,374	
Travel		183	
Other Contracted Services		3,565	
Other Supplies and Materials		1,283	
Liability Insurance		40,380	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		113,361	
Workers' Compensation Insurance		172,531	
In Service/Staff Development		4,002	
Fines, Assessments, and Penalties		31,655	
Other Charges		2,500	
Total Board of Education			438,262

Director of Schools

County Official/Administrative Officer	\$	87,129	
Assistant(s)		5,000	
Career Ladder Program		800	
Social Security		5,304	
Pensions		9,573	
Medical Insurance		14,033	
Unemployment Compensation		22	
Employer Medicare		1,240	
Dues and Memberships		11,276	
Postal Charges		4,501	
Travel		86	
Office Supplies		476	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Other Supplies and Materials	\$	60	
In Service/Staff Development		1,576	
Other Charges		17	
Administration Equipment		250	
Total Director of Schools			\$ 141,343

Office of the Principal

Principals	\$	422,410	
Career Ladder Program		5,500	
Assistant Principals		376,965	
Secretary(ies)		412,734	
Other Salaries and Wages		16,975	
Social Security		69,850	
Pensions		104,991	
Medical Insurance		160,705	
Unemployment Compensation		674	
Employer Medicare		16,526	
Communication		8,247	
Office Supplies		4,141	
Software		9,828	
Excess Risk Insurance		15,108	
In Service/Staff Development		375	
Total Office of the Principal			1,625,029

Fiscal Services

Accountants/Bookkeepers	\$	109,143	
Secretary(ies)		74,788	
Other Salaries and Wages		47,991	
Social Security		14,258	
Pensions		11,913	
Medical Insurance		28,005	
Unemployment Compensation		148	
Employer Medicare		3,334	
Other Fringe Benefits		36,290	
Travel		65	
Other Contracted Services		571	
Data Processing Supplies		5,726	
Office Supplies		768	
Software		10,307	
Other Supplies and Materials		1,039	
In Service/Staff Development		455	
Data Processing Equipment		773	
Total Fiscal Services			345,574

Operation of Plant

Custodial Personnel	\$	551,754	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Social Security	\$	29,582	
Pensions		27,739	
Medical Insurance		92,703	
Unemployment Compensation		722	
Employer Medicare		7,144	
Communication		55,437	
Janitorial Services		10,850	
Maintenance and Repair Services - Equipment		334	
Other Contracted Services		87,402	
Custodial Supplies		76,243	
Electricity		462,223	
Natural Gas		89,997	
Propane Gas		25,746	
Water and Sewer		37,032	
Chemicals		9,000	
Other Supplies and Materials		1,131	
Boiler Insurance		3,152	
Building and Contents Insurance		129,496	
Other Charges		60	
Plant Operation Equipment		79,537	
Total Operation of Plant			\$ 1,777,284

Maintenance of Plant

Supervisor/Director	\$	27,362	
Maintenance Personnel		138,676	
Social Security		9,497	
Pensions		10,347	
Medical Insurance		19,815	
Unemployment Compensation		90	
Employer Medicare		2,245	
Maintenance and Repair Services - Buildings		185,120	
Maintenance and Repair Services - Equipment		54,582	
Maintenance and Repair Services - Vehicles		716	
Rentals		374	
Other Contracted Services		72,779	
Custodial Supplies		1,055	
Equipment and Machinery Parts		4,273	
General Construction Materials		1,675	
Small Tools		1,194	
Uniforms		1,634	
Other Supplies and Materials		2,066	
Vehicle and Equipment Insurance		3,885	
Total Maintenance of Plant			537,385

Transportation

Supervisor/Director	\$	27,362	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Career Ladder Program	\$	1,000	
Mechanic(s)		78,113	
Bus Drivers		458,999	
Social Security		29,999	
Pensions		19,711	
Medical Insurance		55,697	
Unemployment Compensation		580	
Employer Medicare		7,721	
Maintenance and Repair Services - Vehicles		5,723	
Medical and Dental Services		3,202	
Towing Services		650	
Other Contracted Services		2,653	
Crushed Stone		985	
Custodial Supplies		2,139	
Diesel Fuel		83,006	
Garage Supplies		4,096	
Gasoline		3,056	
Lubricants		9,524	
Small Tools		1,332	
Tires and Tubes		10,842	
Uniforms		1,355	
Vehicle Parts		48,976	
Software		770	
Other Supplies and Materials		2,087	
Vehicle and Equipment Insurance		28,489	
In Service/Staff Development		805	
Other Charges		535	
Transportation Equipment		347,896	
Total Transportation			\$ 1,237,303

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	804	
Clerical Personnel		395	
Cafeteria Personnel		1,563	
Pensions		448	
Unemployment Compensation		75	
Other Charges		9,411	
Total Food Service			12,696

Community Services

Supervisor/Director	\$	40,024
Teachers		221,593
Bus Drivers		20,312
Educational Assistants		480
Other Salaries and Wages		84,346

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Social Security	\$	21,136	
Pensions		26,781	
Medical Insurance		6,288	
Unemployment Compensation		237	
Employer Medicare		4,945	
Instructional Supplies and Materials		4,511	
Other Supplies and Materials		7,071	
Other Charges		11,192	
Total Community Services			\$ 448,916

Early Childhood Education

Teachers	\$	185,922	
Clerical Personnel		4,191	
Educational Assistants		58,936	
Other Salaries and Wages		48,380	
Social Security		17,068	
Pensions		27,611	
Medical Insurance		40,939	
Unemployment Compensation		193	
Employer Medicare		4,015	
Travel		142	
Other Supplies and Materials		9,693	
In Service/Staff Development		150	
Total Early Childhood Education			397,240

Capital Outlay

Regular Capital Outlay

Architects	\$	24,994	
Engineering Services		23,327	
Building Improvements		128,733	
Total Regular Capital Outlay			177,054

Total General Purpose School Fund \$ 24,510,400

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	2,079
Educational Assistants		59,624
Other Salaries and Wages		361,005
Certified Substitute Teachers		210
Non-certified Substitute Teachers		420
Social Security		34,784
Pensions		31,494
Life Insurance		91
Medical Insurance		25,935

(Continued)



Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Unemployment Compensation	\$	142	
Employer Medicare		8,226	
Other Fringe Benefits		3,051	
Instructional Supplies and Materials		10,477	
Textbooks - Bound		86,333	
Regular Instruction Equipment		929,216	
Total Regular Instruction Program			\$ 1,553,087

Alternative Instruction Program

Other Salaries and Wages	\$	864	
Social Security		96	
Pensions		46	
Employer Medicare		22	
Other Equipment		1,084	
Total Alternative Instruction Program			2,112

Special Education Program

Teachers	\$	47,380	
Educational Assistants		397,965	
Other Salaries and Wages		58,119	
Certified Substitute Teachers		546	
Non-certified Substitute Teachers		7,179	
Social Security		30,885	
Pensions		26,280	
Medical Insurance		83,179	
Unemployment Compensation		577	
Employer Medicare		7,342	
Other Fringe Benefits		5,082	
Evaluation and Testing		290	
Instructional Supplies and Materials		16,944	
Other Supplies and Materials		10,314	
Special Education Equipment		60,273	
Total Special Education Program			752,355

Career and Technical Education Program

Educational Assistants	\$	10,977	
Other Salaries and Wages		9,533	
Social Security		1,829	
Pensions		1,217	
Medical Insurance		4,467	
Unemployment Compensation		19	
Employer Medicare		433	
Other Fringe Benefits		85	
Instructional Supplies and Materials		17,419	
Other Charges		775	
Vocational Instruction Equipment		198,511	
Total Career and Technical Education Program			245,265

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services

Attendance

Other Salaries and Wages	\$	1,705	
Social Security		193	
Pensions		67	
Employer Medicare		45	
Total Attendance			\$ 2,010

Health Services

Medical Personnel	\$	39,605	
Other Salaries and Wages		5,027	
Social Security		3,025	
Pensions		4,192	
Life Insurance		26	
Medical Insurance		7,152	
Employer Medicare		707	
Total Health Services			59,734

Other Student Support

Other Salaries and Wages	\$	9,743	
Social Security		1,030	
Pensions		630	
Employer Medicare		241	
Other Supplies and Materials		23,176	
In Service/Staff Development		743	
Other Charges		20,171	
Total Other Student Support			55,734

Regular Instruction Program

Supervisor/Director	\$	53,226	
Secretary(ies)		1,138	
Clerical Personnel		910	
Other Salaries and Wages		311,363	
In-service Training		960	
Social Security		19,261	
Pensions		31,896	
Life Insurance		153	
Medical Insurance		44,980	
Unemployment Compensation		158	
Local Retirement		204	
Employer Medicare		4,954	
Other Fringe Benefits		3,004	
Travel		3,756	
Other Supplies and Materials		15,258	
In Service/Staff Development		13,488	
Other Charges		49,231	
Other Equipment		32,564	
Total Regular Instruction Program			586,504

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	5,109	
Psychological Personnel		43,035	
Medical Personnel		7,925	
Other Salaries and Wages		4,789	
Social Security		3,971	
Pensions		1,188	
Life Insurance		30	
Medical Insurance		1,078	
Unemployment Compensation		41	
Local Retirement		2,152	
Employer Medicare		933	
Other Fringe Benefits		556	
Communication		1,769	
Contracts with Private Agencies		368	
Travel		1,119	
Other Supplies and Materials		6,670	
In Service/Staff Development		7,021	
Other Charges		312	
Other Equipment		760	
Total Special Education Program			\$ 88,826

Career and Technical Education Program

Clerical Personnel	\$	2,723	
In Service/Staff Development		123	
Total Career and Technical Education Program			2,846

Technology

Other Salaries and Wages	\$	3,857	
Social Security		206	
Pensions		102	
Employer Medicare		48	
Total Technology			4,213

Director of Schools

Other Salaries and Wages	\$	887	
Social Security		100	
Pensions		64	
Employer Medicare		23	
Total Director of Schools			1,074

Office of the Principal

Other Salaries and Wages	\$	27,045	
Social Security		3,142	
Pensions		1,668	
Employer Medicare		735	
Total Office of the Principal			32,590

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Other Salaries and Wages	\$	5,290	
Social Security		595	
Pensions		356	
Employer Medicare		139	
Total Fiscal Services			\$ 6,380

Operation of Plant

Other Salaries and Wages	\$	26,606	
Social Security		3,122	
Pensions		1,079	
Employer Medicare		730	
Total Operation of Plant			31,537

Maintenance of Plant

Other Salaries and Wages	\$	3,456	
Social Security		408	
Pensions		152	
Employer Medicare		96	
Total Maintenance of Plant			4,112

Transportation

Bus Drivers	\$	29,552	
Other Salaries and Wages		37,222	
Social Security		5,103	
Pensions		1,789	
Unemployment Compensation		68	
Employer Medicare		1,266	
Other Fringe Benefits		3,174	
Contracts with Parents		3,158	
Total Transportation			81,332

Operation of Non-Instructional Services

Food Service

Other Salaries and Wages	\$	33,804	
Social Security		4,192	
Pensions		397	
Employer Medicare		980	
Total Food Service			39,373

Early Childhood Education

Other Salaries and Wages	\$	7,982	
Social Security		957	
Pensions		502	
Employer Medicare		224	
Total Early Childhood Education			9,665

Total School Federal Projects Fund \$ 3,558,749

(Continued)

Exhibit J-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	70,338	
Clerical Personnel		7,776	
Cafeteria Personnel		658,053	
Temporary Personnel		9,957	
Bonus Payments		15,500	
Social Security		42,865	
Pensions		41,883	
Life Insurance		25	
Medical Insurance		115,517	
Unemployment Compensation		853	
Employer Medicare		10,150	
Other Fringe Benefits		20,588	
Dues and Memberships		1,638	
Maintenance and Repair Services - Equipment		19,707	
Other Contracted Services		27,862	
Food Supplies		581,562	
USDA - Commodities		119,197	
Other Supplies and Materials		72,850	
In Service/Staff Development		71	
Other Charges		69	
Food Service Equipment		31,720	
Total Food Service			\$ 1,848,181

Total Central Cafeteria Fund \$ 1,848,181

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	654,028	
Total Community Services			\$ 654,028

Total Internal School Fund 654,028

Education Debt Service Fund

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	968,953	
Total Education			\$ 968,953

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	174,916	
Total Education			174,916

(Continued)

Exhibit J-8

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

<u>Education Debt Service Fund (Cont.)</u>		
<u>Other Debt Service</u>		
<u>Education</u>		
Trustee's Commission	\$	6,611
Debt Service Contribution to Primary Government		<u>600</u>
Total Education		<u>\$ 7,211</u>
Total Education Debt Service Fund		<u>\$ 1,151,080</u>
Total Governmental Funds - Overton County School Department		<u><u>\$ 31,722,438</u></u>

Exhibit J-9

Overton County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Custodial Fund  
For the Year Ended June 30, 2021

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	<u>\$ 1,209,605</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,197,509
Trustee's Commission	<u>12,096</u>
Total Cash Disbursements	<u>\$ 1,209,605</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2020	<u>0</u>
Cash Balance, 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

Overton County Executive and  
Board of County Commissioners  
Overton County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Overton County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 24, 2022. Our report includes a reference to other auditors who audited the financial statements of the Overton County Health and Rehab Center and the financial statements of the Internal School Fund of the Overton County School Department (discretely presented component units), as described in our report on Overton County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2021-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2021-002, 2021-004, 2021-005, 2021-008, 2021-009, and 2021-010.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Overton County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2021-003, 2021-006, 2021-007, 2021-011, and 2021-012.


## **Overton County's Responses to the Findings**

Overton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Overton 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 Overton 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 24, 2022

JEM/sl



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

Overton County Executive and  
Board of County Commissioners  
Overton County, Tennessee

To the County Executive and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

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

### ***Opinion on Each Major Federal Program***

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Overton County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Overton County's basic financial statements. We issued our report thereon dated February 24, 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 24, 2022

JEM/sl

Overton County, Tennessee, and the Overton County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (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:			
Direct Awards:			
Environmental Quality Incentives Program	10.912	N/A	\$ 6,114
Emergency Watershed Protection Program	10.923	N/A	98,753
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
National School Lunch Program	10.555	N/A	1,461,541 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	119,197 (6)
Total U.S. Department of Agriculture			<u>\$ 1,685,605</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)			
Grants in Hawaii	12.U01	N/A	\$ 184 (7)
U.S. Department of the Interior:			
Direct Award:			
Payments in Lieu of Taxes	15.226	N/A	\$ 6,630
U.S. Department of Justice:			
Direct Awards:			
Drug Control Discretionary Grant Program: Implementation	16.585	N/A	\$ 147,637
Bulletproof Vest Partnership Program	16.607	N/A	3,289
Passed-through State Department of Finance and Administration:			
Coronavirus Emergency Supplemental Funding Program	16.034	(4)	6,907
Passed-through State Department of Children's Services:			
Juvenile Justice and Delinquency Prevention	16.540	(4)	180
Total U.S. Department of Justice			<u>\$ 158,013</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(4)	\$ 20,712
U.S. Department of the Treasury:			
Passed-through State Department of Finance and Administration:			
COVID-19 - Coronavirus Relief Fund	21.019	(4)	\$ 330,154 (6)
Passed-through State Department of Education:			
COVID-19 - Coronavirus Relief Fund	21.019	(4)	229,271 (6)
Total U.S. Department of the Treasury			<u>\$ 559,425</u>
National Endowment for Humanities (NEH):			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(4)	\$ 1,237 (6)
COVID 19 - Grants to States	45.310	(4)	3,722 (6)
Total National Endowment for Humanities (NEH)			<u>\$ 4,959</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 851,141
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	774,773
Special Education - Preschool Grants	84.173	N/A	24,279
Career and Technical Education - Basic Grants to States	84.048	N/A	239,686
Twenty-First Century Community Learning Centers	84.287	N/A	380,948
Rural Education	84.358	N/A	70,774

(Continued)

Overton County, Tennessee, and the Overton County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (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: (Cont.)			
Passed-through State Department of Education: (Cont.)			
Supporting Effective Instruction State Grants	84.367	N/A	\$ 78,299
Student Support and Academic Enrichment Program	84.424	N/A	23,791
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	661,918 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	946,336 (6)
Passed-through Tennessee Higher Education Commission: Gaining Early Awareness and Readiness for Undergraduate Programs	84.334S	P334A170004	191,393
Total U.S. Department of Education			<u>\$ 4,243,338</u>
U.S. Department of Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grants	90.404	(4)	\$ 14,113
U.S. Department of Health and Human Services:			
Passed-through Upper Cumberland Development District:			
Aging Cluster: (5)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 39,592 (6)
COVID 19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	9,400 (6)
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		58,188
Passed-through State Department of Education:			
477 Cluster: (5)			
Temporary Assistance for Needy Families	93.558	(4)	79,956
Total U.S. Department of Health and Human Services			<u>\$ 187,136</u>
Executive Office of the President:			
Passed-through Laurel County, Kentucky, Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(4)	\$ 8,644
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(4)	\$ 182,294 (6)
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(4)	7,665 (6)
Total U.S. Department of Homeland Security			<u>\$ 189,959</u>
Total Expenditures of Federal Awards			<u>\$ 7,078,718</u>

(Continued)



Overton County, Tennessee, and the Overton County School Department  
 Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listings Number	Contract Number	Expenditures
<u>State Grants</u>			
Access to Health through Healthy Build Environments Grant - State Department of Health	N/A	(4)	\$ 16,424
Aging Program - Upper Cumberland Development District	N/A	(4)	8,113
COVID 19 - PPE - State Department of Military	N/A	(4)	2,555
State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration	N/A	(4)	841,608
Juvenile Court State Supplemental Funds - State Department of Children's Services	N/A	(4)	9,000
Litter Program - State Department of Transportation	N/A	(4)	42,211
Mental Health Transport Program - Department of Mental Health and Substance Abuse Services	N/A	(4)	20,743
Tennessee Agricultural Enhancement Program (TAEP) - State Department of Agriculture	N/A	(4)	4,415
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(4)	48,225
Public Assistance Grant - State Department of Military			29271
High Priority Bridge Replacement Program - State Department of Transportation	N/A	(4)	1,413,507
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(4)	405,972
Bridge Camp - State Department of Education	N/A	(4)	33,237
Summer Learning Camps Transportation - State Department of Education	N/A	(4)	30,899
Summer Learning Camps - State Department of Education	N/A	(4)	108,279
STREAM Mini Camp - State Department of Education	N/A	(4)	26,841
Coordinated School Health - State Department of Education	N/A	(4)	92,903
Lottery for Education Afterschool Programs - State Department of Education	N/A	(4)	61,860
School Resource Officer Grant - State Department of Education	N/A	(4)	70,000
Volkswagen Diesel Settlement Environmental Mitigation Bus Replacement - State Department of Environment and Conservation	N/A	(4)	86,974
GIVE Community Grant - Tennessee College of Applied Technology	N/A	(4)	38,149
Safe Schools - State Department of Education	N/A	(4)	74,570
Total State Grants			<u>\$ 3,465,756</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) Overton County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$1,580,738; Special Education Cluster total \$799,052; Aging Cluster total \$107,180; 477 Cluster total \$79,956.
- (6) Total for FAL No. 10.555 is \$1,580,738; Total for FAL No. 21.019 is \$559,425; Total for FAL No. 45.310 is \$4,959; Total for FAL No. 84.425D is \$1,608,254; Total for FAL No. 93.044 is \$48,992; Total for FAL No. 97.036 is \$189,959.
- (7) During the year ended June 30, 2021, Overton County received excess military equipment from the U.S. Department of Military valued at \$184.
- (8) For the year ended June 30, 2021, Overton County School Department received donated PPE valued at \$187,717 (\$140,788 federal and \$46,929 state) from Tennessee Department of Military. These donations were unaudited.
- (9) CONSOLIDATED ADMINISTRATION  
 The following amounts were consolidated for administration purposes:

Program Title	Federal Assistance Listings Number	Amount Provided to Consolidated Administration
Title I Grants to Local Education Agencies	84.010	\$ 60,293
Rural Education	84.358	1,000
Supporting Effective Instruction State Grants	84.367	13,114
Student Support and Academic Enrichment Program	84.424	615
		<u>\$ 75,022</u>

Overton 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 Overton 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
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**OFFICE OF COUNTY EXECUTIVE**

2020	229	2020-001	The ambulance service did not implement adequate controls to protect its information resources.	N/A	Corrected
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**OFFICE OF DIRECTOR OF SCHOOLS**

2020	229	2020-002	The office had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action
2020	230	2020-003	Payroll taxes were not deposited properly resulting in interest and penalty assessments totaling \$50,504.	N/A	Corrected

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***Prior-year Federal Awards Findings***

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

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**OVERTON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2021**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Overton County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **YES**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

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

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is 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 DIRECTOR OF SCHOOLS**

#### **FINDING 2021-001**

#### **THE GENERAL PURPOSE SCHOOL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

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

At June 30, 2021, certain general ledger account balances in the General Purpose School Fund were not materially correct, and audit adjustments totaling \$1,057,425 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the school department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

#### **RECOMMENDATION**

The school department should have appropriate processes in place to ensure its general ledgers are materially correct.

#### **MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS**

I concur with this finding. Audit adjustments were necessary to reflect correct financial statements resulting from year-end staffing transitions. Management will ensure proper financial records before closure in the future.

---

FINDING 2021-002

**THE SCHOOL DEPARTMENT PAID COMPENSATORY TIME WITHOUT PROPER DOCUMENTATION**

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

The school department paid compensatory time totaling \$19,177 to the former budget director without proper documentation. The only supporting documentation for this disbursement was an email from the former budget director claiming 997.25 compensatory hours. We reviewed time sheets for the former director and were unable to support the hours claimed. However, during this review, we noted that the former director was accumulating compensatory time for hours, which do not appear to qualify. Part of the time claimed was for attending board of education meetings; however, she received payment of \$1,745 for attending the meetings and acting as the board secretary. Also, the finance director accumulated compensatory hours for working on snow days and when the school department was closed for COVID-19; however, she received her scheduled pay during those closures, so she appears to be claiming compensatory time for regular workdays. This deficiency is the result of management's failure to maintain adequate payroll and leave records. The failure to accurately grant and maintain employee work hours significantly increases the risks of improper payments.

RECOMMENDATION

Management should develop policies and procedures to adequately support payroll disbursements and accumulated compensatory time.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Former management did not effectively monitor and verify compensatory hours of the former budget director in past years to prevent deficient and inaccurate timekeeping. Upon new management, timekeeping records were requested to be turned in accurately and in a timely manner. In the future, all compensatory hours shall be approved by management in advance of acquisition and shall be clearly reflected on timekeeping records. Compensatory hours shall not be paid to any employee unless proper procedures are followed, and hours are explicitly documented. Leave records will be kept and maintained for all employees and verified for accuracy by management at each pay period end.

FINDING 2021-003

**ACCOUNTING RECORDS FOR THE YEAR ENDED JUNE 30, 2021, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2021**

(Noncompliance Under *Government Auditing Standards*)

Accounting records, including subsidiary capital assets records, were not closed and available for audit by August 31, 2021, as required by Section 9-2-102, *Tennessee Code Annotated*. The accounting records were closed and made available to auditors on November 12, 2021, and the capital assets records were made available on February 7, 2022. This deficiency can be attributed to a lack of management oversight. The failure to properly maintain and close accounting and subsidiary records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely.

RECOMMENDATION

Management should close its accounting records for the fiscal year ended June 30, including the subsidiary capital assets records, and have those records available for audit by the following August 31.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Due to abrupt staffing transitions occurring at year-end, management did not have accounting records prepared for closure by August 31, 2021. Management will ensure accounting records are prepared for closure in accordance with state statute in the future.

FINDING 2021-004

**THE SCHOOL FEDERAL PROJECTS FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE**

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

The School Federal Projects Fund had a deficit in unassigned fund balance totaling \$125,090 on June 30, 2021. This deficit resulted from the issuance of purchase orders totaling \$788,516 while the corresponding reimbursements from the grantors had not been requested prior to June 30, 2021.

RECOMMENDATION

Officials should liquidate the deficit in unassigned fund balance and take steps to prevent its recurrence.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. In the future, all reimbursements will be requested prior to June 30 to correctly reflect fund balances. Receivables and deferred receivables will be set up as necessary for reimbursements that will not be acquired by June 30 of each fiscal year.

FINDING 2021-005

**THE OFFICE HAD ACCOUNTING DEFICIENCIES**

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

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies exist due to a lack of management oversight.

- A. The office did not properly reconcile the general ledger cash accounts in the General Purpose School and School Federal Projects funds with county trustee reports. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. Employees attempted to reconcile the cash accounts with the trustee's reports during the

year under examination; however, they failed to identify and correct multiple errors during the reconciliation process. Failure to identify and correct errors allows cash with the trustee to be stated incorrectly in the accounting records.

- B. General ledger payroll liability accounts were not reconciled monthly with subsidiary payroll records and payments in the General Purpose School, School Federal Projects, and Central Cafeteria funds. As a result, unidentified balances accumulated in the liability accounts for payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with billings and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risks that errors will not be discovered and corrected timely.
- C. When finishing our audit in February 2022, we observed that cash with trustee had not been reconciled and the monthly accounting records had not been closed since June 2021. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control.

### RECOMMENDATION

The office should accurately reconcile all general ledger cash accounts with county trustee's reports monthly, and any errors discovered should be corrected promptly. General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly. The office should maintain all accounting records on a current basis.

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Management did not properly reconcile general ledger cash accounts with trustee reports and liability accounts throughout the fiscal year resulting in uncorrected discrepancies in accounting records and numerous liability accounts. In the future, management will ensure that general ledger cash accounts properly reconcile with trustee reports monthly in accordance with *TCA* and monitor liability accounts for unreconciled balances at month-end. Discrepancies will be adjusted as soon as possible to reflect accurate accounting records and detect errors in a timely manner.

---

### FINDING 2021-006

### **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(Noncompliance Under *Government Auditing Standards*)

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

- A. Expenditures exceeded appropriations approved by the county commission in

seven of 24 major appropriation categories (the legal level of control) of the General Purpose School Fund and one of 20 major appropriation categories of the School Federal Projects Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Support Services - Attendance	\$ 8,777
Support Services - Health Services	11,637
Support Services - Board of Education	41,574
Support Services - Director of Schools	6,047
Support Services - Fiscal Services	57,373
Non-Instructional Services - Early Childhood Education	32,698
Capital Outlay - Regular Capital Outlay	3,803
School Federal Projects:	
Instruction - Career and Technical Education Program	355

- B. Salaries exceeded appropriations in 20 of 85 salary line-items of the General Purpose School Fund and one of 37 salary line-items of the School Federal Projects Fund by amounts ranging from \$45 to \$40,242. The budget resolution approved by the county commission states that “the salary, wages, or remuneration of each officer, employee, or agent of the county shall not be in excess of the amounts authorized by existing law or as set forth in the estimate of expenditures which accompanies this resolution.” Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

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

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Management failed to oversee and monitor budgets to make necessary amendments during the past three fiscal years resulting in repeat audit findings. This lack of oversight has resulted in budgeted line items exceeding amounts approved by the county commission. In the future, management will provide proper monitoring and comparisons of budgets to expenditures making necessary amendments for approval in a timely manner to ensure line items expenses stay within approved budget amounts.



FINDING 2021-007

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

During October 2020, the school department transferred \$87,000 from the General Purpose School Fund to the Central Cafeteria Fund to provide cash flow for operations. This transfer was in effect an interfund loan that was not approved by the county commission and the state Comptroller’s Office as required by Section 9-21-408, *Tennessee Code Annotated (TCA)*, and the office did not file a Report on Debt Obligation with the state Comptroller’s Office as required by Section 9-21-134, *TCA*. The loan was repaid November 5, 2020. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Management did not follow the proper approval process before initiating an interfund loan. In the future, management will ensure that such loans are formally approved by the school board and county commission and reported in accordance with state statute.

---

FINDING 2021-008

**A LAPTOP AND SEVERAL FLASH DRIVES ARE MISSING FROM THE CENTRAL OFFICE**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The director of schools reported a laptop and several flash drives missing from the board of education’s central office. School employees were unable to identify the data stored on any of these devices; therefore, the risk related to this loss of information is uncertain. This risk was caused by management’s failure to secure devices used to store school department information.

RECOMMENDATION

Management should develop policies and procedures to adequately secure its information resources.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Management failed to ensure the security of board of education equipment and data as said items were unable to be recovered from a former employee after failed attempts. Management acknowledges the imperative urgency of security integrity and immediately initiated procedures to prevent security deficiencies in the future.

FINDING 2021-009

**ACCESS TO THE ACCOUNTING SOFTWARE WAS NOT RESTRICTED PROPERLY**

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

The user account of an employee remained active in the software after the individual had been reassigned to another position that did not require this access. Sound business practices dictate that an employee’s access to the office’s accounting software be removed upon separation from employment or reassignment of duties to prevent unauthorized access to the system. This deficiency was the result of a lack of management oversight. This user account was removed when this deficiency was brought to management’s attention in July 2021.

RECOMMENDATION

Policies should be implemented requiring the immediate removal of an employee’s access to the accounting software upon the individual’s separation of service or reassignment to another position.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Management failed to restrict access to the board of education software and accounts to an employee no longer requiring access after reassignment. This lack of oversight was corrected upon realization and procedures initiated to prevent software and account compromises in the future. Management will ensure procedures are followed in future.

---

FINDING 2021-010

**DUTIES WERE NOT SEGREGATED ADEQUATELY** (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the official and employees in the Office of Director of Schools. The official and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management’s decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding. Management will review the duties of all employees and will implement specific changes in employee duties to strengthen internal controls. The duties of receipting, disbursing, and maintaining records for funds will be redistributed and separated among employees to best prevent any unauthorized transactions.

**OFFICE OF COUNTY CLERK**

**FINDING 2021-011**

**SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts issued for the months of January 2021, April 2021, and May 2021 to trace to deposits. During these months, collections in 11 of 44 deposits were held more than three days before being deposited. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

**RECOMMENDATION**

All funds should be deposited within three days of collection as required by state statute.

**MANAGEMENT'S RESPONSE – COUNTY CLERK**

I concur with this finding. I plan to make deposits daily, and since this was brought to our attention, no deposits have gone over three days.

---

**FINDING 2021-012**

**OPERATIONS IN THE COUNTY CLERK'S OFFICE ARE CURRENTLY BEING REVIEWED**

(Noncompliance Under *Government Auditing Standards*)

The Comptroller's Division of Investigations is currently reviewing certain operations in the County Clerk's Office. Findings, if any, resulting from this review will be included in a subsequent report.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2021.

**Overton 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
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**OFFICE OF DIRECTOR OF SCHOOLS**

2021-001	The General Purpose School Fund required material audit adjustments for proper financial statement presentation.	254
2021-002	The school department paid compensatory time without proper documentation.	254
2021-003	Accounting records for the year ended June 30, 2021, were not closed and available for audit by August 31, 2021.	255
2021-004	The School Federal Projects Fund had a deficit in unassigned fund balance.	255
2021-005	The office had accounting deficiencies.	256
2021-006	The office had deficiencies in budget operations.	256
2021-007	An interfund loan was not issued in accordance with state statute.	257
2021-008	A laptop and several flash drives are missing from the central office.	257
2021-009	Access to the accounting software was not restricted properly.	258
2021-010	Duties were not segregated adequately.	258

**OFFICE OF COUNTY CLERK**

2021-011	Some funds were not deposited within three days of collection.	260
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*Corrective Action Plan*

**OVERTON COUNTY – DIRECTOR OF SCHOOLS**

**FINDING: THE GENERAL PURPOSE SCHOOL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

**Response and Corrective Action Plan Prepared by:**  
Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**  
Crystal Nelson, Budget Director

**Anticipated Completion Date of Corrective Action:**  
February 2022

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
Due to staff reassignments and abrupt departure of key personnel, audit adjustments were necessary after year end. Audit adjustments will be entered and management will ensure proper financial records before accounting ledgers are closed in future.

---

**FINDING: THE SCHOOL DEPARTMENT PAID COMPENSATORY TIME WITHOUT PROPER DOCUMENTATION**

**Response and Corrective Action Plan Prepared by:**  
Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**  
Crystal Nelson, Budget Director

**Anticipated Completion Date of Corrective Action:**  
February 2022

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

Timekeeping records were not being submitted in a timely manner by former budget director. New management met with former budget director numerous times and requested timesheets be submitted in a timely manner. New management met with employees to discuss compensatory time and process of accruing. In future, all compensatory hours shall be approved by management in advance of acquisition by the Director of Schools and shall be clearly reflected on timekeeping records. Compensatory hours shall not be paid to any employee unless proper procedures have been followed and hours have been explicitly documented. Leave records will be maintained for all employees and verified for accuracy by appropriate management personnel at each pay period end. Work Schedules will be made known to employees to ensure understanding of scheduled days and hours.

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

**Response and Corrective Action Plan Prepared by:**

Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**

Crystal Nelson, Budget Director

**Anticipated Completion Date of Corrective Action:**

February 2022

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action**

Due to staffing transitions occurring at year end, management did not have accounting records prepared for closure by August 31, 2021. Management will ensure accounting records are prepared for closure in accordance with state statute in future from this date forward.

---

**FINDING: THE SCHOOL FEDERAL PROJECTS FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE**

**Response and Corrective Action Plan Prepared by:**

Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**  
Mica Beasley, Federal Projects Bookkeeper

**Anticipated Completion Date of Corrective Action:**  
February 2022

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
In future all reimbursements will be requested prior to June 30 to correctly reflect fund balances. Receivables and deferred receivables will be set up as necessary for reimbursements that will not be acquired by June 30 of each fiscal year.

---

**FINDING: THE OFFICE HAD ACCOUNTING DEFICIENCIES**

**Response and Corrective Action Plan Prepared by:**  
Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**  
Crystal Nelson, Finance Director

**Anticipated Completion Date of Corrective Action:**  
February 2022

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
In future management will ensure that general ledger cash accounts properly reconcile with Trustee monthly in accordance with TCA and monitor liability accounts for unreconciled balances at month end. Discrepancies will be adjusted as soon as possible to reflect accurate accounting records and detect errors in a timely manner.

---

**FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

**Response and Corrective Action Plan Prepared by:**  
Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**  
Crystal Nelson, Budget Director



**Anticipated Completion Date of Corrective Action:**

July 2021

**Repeat Finding:**

Yes

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

I am uncertain as I was not with Overton County Schools at this time.

**Planned Corrective Action:**

Staff reassignments were initiated and new management will provide monitoring and constant comparisons of budgets to expenditures making necessary amendments for approval in a timely manner to ensure line items expenses stay within approved budget amounts.

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**FINDING: INTERFUND LOANS WERE NOT ISSUED IN ACCORDANCE WITH STATE STATUTE**

**Response and Corrective Action Plan Prepared by:**

Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**

Crystal Nelson, Budget Director

**Anticipated Completion Date of Corrective Action:**

July 2021

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

Management will ensure that any interfund loans are formally approved by School Board, County Commission, and reported in accordance with state statute.

---

**FINDING: A LAPTOP AND SEVERAL FLASH DRIVES ARE MISSING FROM THE CENTRAL OFFICE**

**Response and Corrective Action Plan Prepared by:**

Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**

Dr. Donnie Holman, Director of Schools

**Anticipated Completion Date of Corrective Action:**  
July 2021

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
Management personnel made several attempts to recover missing equipment and flash drives from former budget director. Management acknowledges the imperative urgency of security integrity and immediately initiated procedures to prevent security deficiencies in the future.

---

**FINDING: ACCESS TO THE ACCOUNTING SOFTWARE WAS NOT PROPERLY RESTRICTED**

**Response and Corrective Action Plan Prepared by:**  
Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**  
Dr. Donnie Holman, Director of Schools

**Anticipated Completion Date of Corrective Action:**  
July 2021

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
This lack of oversight was corrected upon realization and procedures initiated immediately to prevent software and account compromises in the future. Management will ensure procedures continue to be followed.

---

**FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY**

**Response and Corrective Action Plan Prepared by:**  
Dr. Donnie Holman, Director of Schools

**Person Responsible for Implementing the Corrective Action:**  
Crystal Nelson, Finance Director

**Anticipated Completion Date of Corrective Action:**

February 2022

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

Management will review the duties of all employees. Management will implement specific changes in employee duties in order to strengthen internal controls. The duties of receipting, depositing, disbursing, and maintaining records for funds will be redistributed and separated among employees as best able to prevent unauthorized transactions.

---

Signature:

Donnie Holman

**Victoria Looper**  
**Overton County Clerk**  
306 West Main St Room 103  
Livingston, TN 38570  
Phone: 931-823-2631 Fax: 931-823-2696

**Corrective Action Plan**

**OVERTON COUNTY CLERK**

**FINDING: SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

**Response and Corrective Action Plan Prepared by:**  
Victoria Looper, County Clerk

**Person Responsible for Implementing the Corrective Action:**  
Victoria Looper, County Clerk

**Anticipated Completion Date of Corrective Action:**  
02-22-22

**Repeat Finding:**  
No

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

**Planned Corrective Action:**

***We are and have been making deposits daily. Since this was brought to our attention by state auditors, no deposits have went over three days.***

Signature: Victoria Looper

## **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 Overton County.

### **OVERTON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Overton County does not have a central system of accounting, budgeting, and purchasing for all departments. Overton County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and highway superintendent but exclude the school department. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing that includes all departments is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Overton County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.