



ANNUAL FINANCIAL REPORT

Hardeman County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HARDEMAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2022

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

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

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Summary of Audit Findings

Annual Financial Report
Hardeman County, Tennessee
For the Year Ended June 30, 2022

Scope

We have audited the basic financial statements of Hardeman County as of and for the year ended June 30, 2022.

Results

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

Our audit resulted in 12 findings and recommendations, which we have reviewed with Hardeman County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The office had deficiencies in purchasing procedures.
- ◆ Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.
- ◆ The office had deficiencies in budget operations.
- ◆ County commissioners were not paid in compliance with state statute.
- ◆ The office had deficiencies in the administration of payroll and accrued leave records.
- ◆ A capital outlay note was not issued in compliance with state statutes.
- ◆ Some funds were not deposited within three days of collection at the Solid Waste and Animal Control Office.



OFFICE OF HIGHWAY SUPERINTENDENT

- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.
-

OFFICE OF TRUSTEE

- ◆ The office had accounting deficiencies.
-

OFFICE OF SHERIFF

- ◆ The annual financial report did not properly reflect the operations of the office.
-

OFFICES OF TRUSTEE AND SHERIFF

- ◆ Duties were not segregated adequately.



INTRODUCTORY SECTION

Hardeman County Officials

June 30, 2022

Officials

Jimmy Sain, County Mayor
Casey Swift, Highway Superintendent
Christy Smith, Director of Schools
Sandy Hammons, Trustee
Josh Pulse, Assessor of Property
Polly Morris, County Clerk
Billy Davis, Circuit, General Sessions, and Juvenile Courts Clerk
Janice Bodiford, Clerk and Master
Lily Barnes, Register of Deeds
John Doolen, Sheriff

Board of County Commissioners

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

Board of Highway Supervisors

John Mitchell, Chairman
Matthew Knight
Kenny Pulse

Board of Education

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

Audit Committee

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

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of June 30, 2022, and the respective changes in financial position and, where applicable cash flows thereof, and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Hardeman County School Department (a discretely presented component unit), which represent two percent, 3.2 percent, and 1.6 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Hardeman County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hardeman County, Tennessee, and to meet our other ethical responsibilities, in accordance with

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

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes a special item reported in the Solid Waste Disposal Fund for the effects of a material reduction in estimates for the Solid Waste Disposal Fund's liability for postclosure care costs in the amount of \$982,842. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hardeman County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Hardeman County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hardeman County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedule of school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hardeman County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hardeman County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hardeman County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

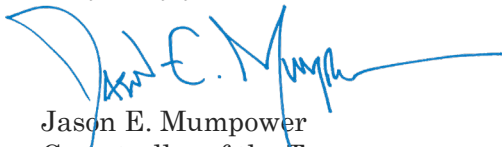
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023, on our consideration of Hardeman County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hardeman County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hardeman County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2023

JEM/gc

BASIC FINANCIAL STATEMENTS

Exhibit A

Hardeman County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Hardeman County School Department
<u>ASSETS</u>				
Cash	\$ 85,583	\$ 340	\$ 85,923	\$ 1,131,815
Equity in Pooled Cash and Investments	11,595,655	3,508,459	15,104,114	10,961,976
Inventory	0	0	0	832
Accounts Receivable	1,545,869	24,813	1,570,682	18,502
Allowance for Uncollectibles	(790,845)	(16,128)	(806,973)	0
Due from Other Governments	14,947,216	0	14,947,216	3,154,913
Prepaid Items	0	0	0	8,051
Property Taxes Receivable	5,091,182	0	5,091,182	6,819,383
Allowance for Uncollectible Property Taxes	(170,476)	0	(170,476)	(228,344)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	269,945
Cash Shortage	0	1,890	1,890	0
Net Pension Asset - Agent Plan	2,812,189	153,933	2,966,122	2,080,878
Net Pension Asset - Teacher Retirement Plan	0	0	0	230,301
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	17,316,975
Capital Assets:				
Assets Not Depreciated:				
Land	1,757,650	219,838	1,977,488	358,116
Construction in Progress	0	0	0	628,453
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	11,526,301	933,468	12,459,769	12,362,857
Infrastructure	10,531,024	0	10,531,024	0
Other Capital Assets	3,754,166	832,453	4,586,619	1,679,452
Total Assets	\$ 62,685,514	\$ 5,659,066	\$ 68,344,580	\$ 56,794,105
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding	\$ 592,812	\$ 0	\$ 592,812	\$ 0
Pension Changes in Experience	96,445	5,279	101,724	133,565
Pension Changes in Assumptions	1,714,499	93,854	1,808,353	5,978,522
Pension Changes in Proportion	0	0	0	118,969
Pension Contributions After Measurement Date	521,287	37,175	558,462	1,831,555
OPEB Changes in Experience	0	0	0	180,633
OPEB Changes in Assumptions	0	0	0	822,408
OPEB Changes in Proportion	0	0	0	81,580
OPEB Contributions After Measurement Date	0	0	0	145,416
Total Deferred Outflows of Resources	\$ 2,925,043	\$ 136,308	\$ 3,061,351	\$ 9,292,648

(Continued)

Exhibit A

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

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>type</u> <u>Activities</u>	<u>Total</u>	<u>Hardeman</u> <u>County</u> <u>School</u> <u>Department</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 67,801	\$ 154,099	\$ 221,900	\$ 176,692
Accrued Payroll	0	0	0	620,545
Payroll Deductions Payable	42,133	77	42,210	32,183
Contracts Payable	14,764,421	0	14,764,421	0
Due to State of Tennessee	474	600	1,074	0
Due to Other Governments	1,043,983	0	1,043,983	0
Accrued Interest Payable	49,852	0	49,852	0
Noncurrent Liabilities:				
Due Within One Year - Debt	910,000	80,781	990,781	0
Due Within One Year - Other	172,017	80,461	252,478	36,680
Due in More Than One Year - Debt	17,121,518	537,944	17,659,462	0
Due in More Than One Year - Other	0	1,851,434	1,851,434	4,273,163
Total Liabilities	\$ 34,172,199	\$ 2,705,396	\$ 36,877,595	\$ 5,139,263
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,784,902	\$ 0	\$ 4,784,902	\$ 6,409,134
Pension Changes in Experience	771,355	42,225	813,580	2,057,198
Pension Changes in Investment Earnings	2,879,409	157,622	3,037,031	16,073,094
Pension Changes in Proportion	0	0	0	7,157
OPEB Changes in Experience	0	0	0	277,973
OPEB Changes in Assumptions	0	0	0	235,035
OPEB Changes in Proportion	0	0	0	111,117
Total Deferred Inflows of Resources	\$ 8,435,666	\$ 199,847	\$ 8,635,513	\$ 25,170,708
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 11,637,251	\$ 1,367,034	\$ 13,004,285	\$ 15,028,878
Restricted for:				
General Government	52,388	0	52,388	0
Finance	41,487	0	41,487	0
Administration of Justice	219,356	0	219,356	0
Public Safety	729,117	0	729,117	0
Public Health and Welfare	58,478	0	58,478	0
Highways/Public Works	199,213	0	199,213	0
Debt Service	551,808	0	551,808	0
Education	0	0	0	1,292,871
Instruction	0	0	0	13,881
Operation of Non-instructional Services	0	0	0	1,577,181
Pensions	2,812,189	153,933	2,966,122	19,628,154
Hybrid Retirement Stabilization Funds	0	0	0	269,945
Unrestricted	6,701,405	1,369,164	8,070,569	(2,034,128)
Total Net Position	\$ 23,002,692	\$ 2,890,131	\$ 25,892,823	\$ 35,776,782

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

Exhibit B

Hardeman County, Tennessee
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Hardeman County School Department	
					Total Governmental Activities	Business- type Activities		Total
Primary Government:								
Governmental Activities:								
General Government	\$ 2,724,824	\$ 183,669	\$ 2,100,922	\$ 28,642	\$ (411,591)	\$ 0	\$ (411,591)	\$ 0
Finance	894,213	749,859	0	0	(144,354)	0	(144,354)	0
Administration of Justice	1,211,592	728,523	75,887	0	(407,182)	0	(407,182)	0
Public Safety	46,098,381	504,833	41,587,490	0	(4,006,058)	0	(4,006,058)	0
Public Health and Welfare	2,085,310	1,306,389	146,728	0	(632,193)	0	(632,193)	0
Social, Cultural, and Recreational Services	98,397	0	0	0	(98,397)	0	(98,397)	0
Agriculture and Natural Resources	116,254	0	0	0	(116,254)	0	(116,254)	0
Highways/Public Works	4,579,190	0	2,862,801	71,100	(1,645,289)	0	(1,645,289)	0
Interest on Long-term Debt	537,744	0	25,093	0	(512,651)	0	(512,651)	0
Total Governmental Activities	\$ 58,345,905	\$ 3,473,273	\$ 46,798,921	\$ 99,742	\$ (7,973,969)	\$ 0	\$ (7,973,969)	\$ 0
Business-type Activities:								
Solid Waste Disposal	\$ 1,937,510	\$ 1,325,550	\$ 14,852	\$ 0	\$ 0	\$ (597,108)	\$ (597,108)	\$ 0
Total Primary Government	\$ 60,283,415	\$ 4,798,823	\$ 46,813,773	\$ 99,742	\$ (7,973,969)	\$ (597,108)	\$ (8,571,077)	\$ 0
Component Unit:								
Hardeman County School Department	\$ 36,648,077	\$ 182,399	\$ 10,037,561	\$ 1,141,766	\$ 0	\$ 0	\$ 0	\$ (25,286,351)
Total Component Unit	\$ 36,648,077	\$ 182,399	\$ 10,037,561	\$ 1,141,766	\$ 0	\$ 0	\$ 0	\$ (25,286,351)

(Continued)

Exhibit B

Hardeman County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Hardeman County School Department	
					Total Governmental Activities	Business- type Activities		Total
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,388,681	\$ 0	\$ 4,388,681	\$ 6,025,565
Property Taxes Levied for Debt Service					329,717	0	329,717	0
Local Option Sales Taxes					423,029	0	423,029	3,527,264
Wheel Tax					1,619,546	0	1,619,546	0
Litigation Tax					146,958	0	146,958	0
Business Tax					267,298	0	267,298	0
Wholesale Beer Tax					74,119	0	74,119	0
Other Local Taxes					42,097	0	42,097	5,616
Grants and Contributions Not Restricted for Specific Programs					2,194,407	0	2,194,407	23,601,512
Unrestricted Investment Income					89,646	6,180	95,826	0
Miscellaneous					41,380	33,722	75,102	151,022
Total General Revenues					\$ 9,616,878	\$ 39,902	\$ 9,656,780	\$ 33,310,979
Special Item - See Note I.D.9.					\$ 0	\$ 982,842	\$ 982,842	\$ 0
Transfers					(31,000)	31,000	0	0
Change in Net Position					\$ 1,611,909	\$ 456,636	\$ 2,068,545	\$ 8,024,628
Net Position, July 1, 2021					21,390,783	2,433,495	23,824,278	27,752,154
Net Position, June 30, 2022					\$ 23,002,692	\$ 2,890,131	\$ 25,892,823	\$ 35,776,782

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

Exhibit C-1

Hardeman County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 85,583	\$ 85,583
Equity in Pooled Cash and Investments	7,414,581	3,084,399	962,624	134,051	11,595,655
Accounts Receivable	1,545,605	0	0	264	1,545,869
Allowance for Uncollectibles	(790,845)	0	0	0	(790,845)
Due from Other Governments	14,378,268	568,568	380	0	14,947,216
Due from Other Funds	1,583	0	0	71,761	73,344
Property Taxes Receivable	4,717,518	0	373,664	0	5,091,182
Allowance for Uncollectible Property Taxes	(157,964)	0	(12,512)	0	(170,476)
Total Assets	<u>\$ 27,108,746</u>	<u>\$ 3,652,967</u>	<u>\$ 1,324,156</u>	<u>\$ 291,659</u>	<u>\$ 32,377,528</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 67,801	\$ 0	\$ 0	\$ 0	\$ 67,801
Payroll Deductions Payable	39,635	2,498	0	0	42,133
Contracts Payable	14,764,421	0	0	0	14,764,421
Due to Other Funds	71,761	0	0	1,583	73,344
Due to State of Tennessee	474	0	0	0	474
Due to Other Governments	1,043,983	0	0	0	1,043,983
Total Liabilities	<u>\$ 15,988,075</u>	<u>\$ 2,498</u>	<u>\$ 0</u>	<u>\$ 1,583</u>	<u>\$ 15,992,156</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,433,717	\$ 0	\$ 351,185	\$ 0	\$ 4,784,902
Deferred Delinquent Property Taxes	111,709	0	8,848	0	120,557
Other Deferred/Unavailable Revenue	699,151	245,747	0	0	944,898
Total Deferred Inflows of Resources	<u>\$ 5,244,577</u>	<u>\$ 245,747</u>	<u>\$ 360,033</u>	<u>\$ 0</u>	<u>\$ 5,850,357</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 31,550	\$ 0	\$ 0	\$ 0	\$ 31,550
Restricted for Finance	41,487	0	0	0	41,487
Restricted for Administration of Justice	219,356	0	0	0	219,356
Restricted for Public Safety	523,305	0	0	205,812	729,117
Restricted for Public Health and Welfare	58,478	0	0	0	58,478
Restricted for Other Operations	20,838	0	0	0	20,838
Committed:					
Committed for Finance	0	0	0	84,264	84,264
Committed for Public Health and Welfare	118	0	0	0	118
Committed for Highways/Public Works	0	3,404,722	0	0	3,404,722
Committed for Debt Service	0	0	964,123	0	964,123
Assigned:					
Assigned for General Government	396,756	0	0	0	396,756
Unassigned	4,584,206	0	0	0	4,584,206
Total Fund Balances	<u>\$ 5,876,094</u>	<u>\$ 3,404,722</u>	<u>\$ 964,123</u>	<u>\$ 290,076</u>	<u>\$ 10,535,015</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,108,746</u>	<u>\$ 3,652,967</u>	<u>\$ 1,324,156</u>	<u>\$ 291,659</u>	<u>\$ 32,377,528</u>

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

Exhibit C-2

Hardeman County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 10,535,015	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 1,757,650		
Add: buildings and improvements net of accumulated depreciation	11,526,301		
Add: infrastructure net of accumulated depreciation	10,531,024		
Add: other capital assets net of accumulated depreciation	<u>3,754,166</u>	27,569,141	
(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	\$ (17,800,000)		
Add: deferred amount on refunding	592,812		
Less: unamortized premium on debt	(231,518)		
Less: compensated absences payable	(172,017)		
Less: accrued interest payable	<u>(49,852)</u>	(17,660,575)	
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$ 2,332,231		
Less: deferred inflows of resources related to pensions	<u>(3,650,764)</u>	(1,318,533)	
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			2,812,189
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,065,455</u>
Net position of governmental activities (Exhibit A)			<u>\$ 23,002,692</u>

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

Exhibit C-3

Hardeman County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 5,395,043	\$ 809,564	\$ 1,137,657	\$ 0	\$ 7,342,264
Licenses and Permits	18,936	0	0	0	18,936
Fines, Forfeitures, and Penalties	283,501	0	0	103,061	386,562
Charges for Current Services	1,265,619	0	0	347,197	1,612,816
Other Local Revenues	231,393	101,472	0	0	332,865
Fees Received From County Officials	918,637	0	0	0	918,637
State of Tennessee	43,782,165	2,877,421	0	0	46,659,586
Federal Government	1,433,008	0	0	0	1,433,008
Other Governments and Citizens Groups	78,448	0	1,037,140	0	1,115,588
Total Revenues	\$ 53,406,750	\$ 3,788,457	\$ 2,174,797	\$ 450,258	\$ 59,820,262
<u>Expenditures</u>					
Current:					
General Government	\$ 1,341,054	\$ 0	\$ 0	\$ 0	\$ 1,341,054
Finance	482,448	0	0	343,237	825,685
Administration of Justice	954,842	0	0	0	954,842
Public Safety	45,503,200	0	0	21,800	45,525,000
Public Health and Welfare	2,392,997	0	0	0	2,392,997
Social, Cultural, and Recreational Services	98,397	0	0	0	98,397
Agriculture and Natural Resources	130,166	0	0	0	130,166
Other Operations	2,311,757	0	0	0	2,311,757
Highways	0	3,330,279	0	0	3,330,279
Debt Service:					
Principal on Debt	430,082	0	1,456,154	0	1,886,236
Interest on Debt	0	0	553,352	0	553,352
Other Debt Service	0	0	16,919	0	16,919
Total Expenditures	\$ 53,644,943	\$ 3,330,279	\$ 2,026,425	\$ 365,037	\$ 59,366,684

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (238,193)	\$ 458,178	\$ 148,372	\$ 85,221	\$ 453,578
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 77,763	\$ 0	\$ 0	\$ 77,763
Transfers Out	(108,763)	0	0	0	(108,763)
Total Other Financing Sources (Uses)	\$ (108,763)	\$ 77,763	\$ 0	\$ 0	\$ (31,000)
Net Change in Fund Balances	\$ (346,956)	\$ 535,941	\$ 148,372	\$ 85,221	\$ 422,578
Fund Balance, July 1, 2021	6,223,050	2,868,781	815,751	204,855	10,112,437
Fund Balance, June 30, 2022	\$ 5,876,094	\$ 3,404,722	\$ 964,123	\$ 290,076	\$ 10,535,015

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

Exhibit C-4

Hardeman County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

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)		\$	422,578
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,625,291	
Less: current-year depreciation expense		<u>(3,124,325)</u>	(1,499,034)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$	1,065,455	
Less: deferred delinquent property taxes and other deferred June 30, 2021		<u>(921,996)</u>	143,459
(3) The issuance of long-term debt (e.g., bonds, notes, loans) 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	\$	1,390,000	
Add: principal payments on note		496,236	
Less: change in deferred amount on refunding debt		(69,943)	
Add: change in premium on debt proceeds		<u>25,093</u>	1,841,386
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	15,608	
Change in net pension asset		2,598,662	
Change in deferred outflows related to pensions		1,361,508	
Change in deferred inflows related to pensions		(3,247,506)	
Change in compensated absences payable		<u>(24,752)</u>	<u>703,520</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,611,909</u>

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

Exhibit C-5

Hardeman County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,395,043	\$ 0	\$ 0	\$ 5,395,043	\$ 5,246,700	\$ 5,246,700	\$ 148,343
Licenses and Permits	18,936	0	0	18,936	24,100	24,100	(5,164)
Fines, Forfeitures, and Penalties	283,501	0	0	283,501	266,250	266,250	17,251
Charges for Current Services	1,265,619	0	0	1,265,619	1,598,070	1,598,070	(332,451)
Other Local Revenues	231,393	0	0	231,393	490,250	490,250	(258,857)
Fees Received From County Officials	918,637	0	0	918,637	1,164,000	1,164,000	(245,363)
State of Tennessee	43,782,165	0	0	43,782,165	3,436,900	44,996,633	(1,214,468)
Federal Government	1,433,008	0	0	1,433,008	2,834,950	2,834,950	(1,401,942)
Other Governments and Citizens Groups	78,448	0	0	78,448	431,000	431,000	(352,552)
Total Revenues	\$ 53,406,750	\$ 0	\$ 0	\$ 53,406,750	\$ 15,492,220	\$ 57,051,953	\$ (3,645,203)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 40,934	\$ 0	\$ 0	\$ 40,934	\$ 45,410	\$ 45,410	\$ 4,476
Board of Equalization	1,100	0	0	1,100	1,000	1,000	(100)
Beer Board	0	0	0	0	1,035	1,035	1,035
Budget and Finance Committee	2,150	0	0	2,150	1,600	3,200	1,050
Other Boards and Committees	6,238	0	0	6,238	6,150	8,150	1,912
County Mayor/Executive	254,952	0	0	254,952	256,839	256,839	1,887
County Attorney	239,401	0	0	239,401	140,096	290,096	50,695
Election Commission	216,962	0	0	216,962	252,139	252,139	35,177
Register of Deeds	183,815	0	0	183,815	210,246	210,246	26,431
Development	76,781	0	0	76,781	78,943	92,693	15,912
County Buildings	271,601	0	0	271,601	1,844,297	1,414,215	1,142,614
Other Facilities	37,782	0	0	37,782	95,575	95,575	57,793
Other General Administration	2,627	0	0	2,627	25,000	25,000	22,373
Preservation of Records	6,711	0	0	6,711	9,860	9,860	3,149
<u>Finance</u>							
Accounting and Budgeting	20,476	0	0	20,476	20,017	20,117	(359)
Purchasing	4,245	0	0	4,245	4,375	4,375	130

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 139,691	\$ 0	\$ 0	\$ 139,691	\$ 147,241	\$ 147,241	\$ 7,550
Reappraisal Program	174,057	0	0	174,057	178,881	178,881	4,824
County Trustee's Office	51,360	0	0	51,360	229,478	88,993	37,633
County Clerk's Office	92,619	0	0	92,619	332,495	140,758	48,139
<u>Administration of Justice</u>							
Circuit Court	392,481	0	0	392,481	443,094	443,094	50,613
General Sessions Court	148,404	0	0	148,404	149,248	149,248	844
Chancery Court	253,768	0	0	253,768	257,351	261,702	7,934
Juvenile Court	58,532	0	0	58,532	66,250	66,250	7,718
Courtroom Security	99,512	0	0	99,512	103,225	103,225	3,713
Victim Assistance Programs	2,145	0	0	2,145	9,000	9,000	6,855
<u>Public Safety</u>							
Sheriff's Department	1,855,729	0	351	1,856,080	1,874,039	1,980,111	124,031
Special Patrols	248,124	0	0	248,124	157,075	248,707	583
Workhouse	1,516,728	(800)	1,168	1,517,096	1,627,356	1,656,194	139,098
Juvenile Services	50,299	0	0	50,299	49,990	50,464	165
Fire Prevention and Control	58,143	0	0	58,143	130,000	130,000	71,857
Rural Fire Protection	1,117	0	0	1,117	5,500	5,500	4,383
Civil Defense	13,233	0	0	13,233	16,375	47,425	34,192
Other Emergency Management	204,894	0	0	204,894	260,000	260,000	55,106
County Coroner/Medical Examiner	31,200	0	0	31,200	30,000	30,000	(1,200)
Other Public Safety	41,523,733	0	0	41,523,733	0	41,523,733	0
<u>Public Health and Welfare</u>							
Local Health Center	481,078	0	0	481,078	80,120	529,590	48,512
Rabies and Animal Control	36,281	0	0	36,281	73,700	73,700	37,419
Ambulance/Emergency Medical Services	1,753,219	0	6,656	1,759,875	1,753,044	1,794,469	34,594
Dental Health Program	98,120	0	0	98,120	110,615	110,615	12,495
Other Local Health Services	0	0	0	0	2,816	2,816	2,816
Sanitation Education/Information	24,299	0	0	24,299	46,500	46,500	22,201

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 98,397	\$ 0	\$ 0	\$ 98,397	\$ 102,897	\$ 102,897	\$ 4,500
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	82,386	0	0	82,386	84,155	84,336	1,950
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	45,780	0	0	45,780	50,150	50,150	4,370
<u>Other Operations</u>							
Industrial Development	40,000	0	0	40,000	45,750	45,750	5,750
Other Economic and Community Development	0	0	0	0	25,000	25,000	25,000
Airport	147,335	0	0	147,335	172,688	281,171	133,836
Veterans' Services	13,038	0	0	13,038	15,611	15,611	2,573
Contributions to Other Agencies	20,717	0	0	20,717	32,675	32,675	11,958
Employee Benefits	159,713	0	0	159,713	141,062	171,974	12,261
COVID-19 Grant #2	0	0	0	0	20,000	20,000	20,000
COVID-19 Grant #6	37,323	0	0	37,323	2,800,000	416,271	378,948
American Rescue Plan Act Grant #6	1,452,627	(700,000)	388,581	1,141,208	0	2,324,071	1,182,863
Miscellaneous	441,004	0	0	441,004	443,200	448,701	7,697
<u>Principal on Debt</u>							
General Government	430,082	0	0	430,082	0	430,082	0
Total Expenditures	\$ 53,644,943	\$ (700,800)	\$ 396,756	\$ 53,340,899	\$ 15,061,163	\$ 57,258,855	\$ 3,917,956
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (238,193)	\$ 700,800	\$ (396,756)	\$ 65,851	\$ 431,057	\$ (206,902)	\$ 272,753
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ (10,000)
Transfers In	0	0	0	0	50,000	119,094	(119,094)
Transfers Out	(108,763)	0	0	(108,763)	0	(108,763)	0
Total Other Financing Sources	\$ (108,763)	\$ 0	\$ 0	\$ (108,763)	\$ 60,000	\$ 20,331	\$ (129,094)

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ (346,956)	\$ 700,800	\$ (396,756)	\$ (42,912)	\$ 491,057	\$ (186,571)	\$ 143,659
Fund Balance, July 1, 2021	6,223,050	(700,800)	0	5,522,250	4,595,188	4,595,188	927,062
Fund Balance, June 30, 2022	\$ 5,876,094	\$ 0	\$ (396,756)	\$ 5,479,338	\$ 5,086,245	\$ 4,408,617	\$ 1,070,721

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

Exhibit C-6

Hardeman County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 809,564	\$ 774,008	\$ 780,408	\$ 29,156
Licenses and Permits	0	20	20	(20)
Other Local Revenues	101,472	8,500	8,500	92,972
State of Tennessee	2,877,421	5,188,629	5,188,629	(2,311,208)
Federal Government	0	0	77,763	(77,763)
Total Revenues	<u>\$ 3,788,457</u>	<u>\$ 5,971,157</u>	<u>\$ 6,055,320</u>	<u>\$ (2,266,863)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 211,870	\$ 230,609	\$ 235,859	\$ 23,989
Highway and Bridge Maintenance	1,305,908	1,715,358	1,776,108	470,200
Operation and Maintenance of Equipment	513,564	559,200	559,200	45,636
Asphalt Plant Operations	78,566	2,025,773	2,025,773	1,947,207
Other Charges	110,336	125,100	125,100	14,764
Employee Benefits	490,393	618,000	629,763	139,370
Capital Outlay	619,642	1,047,835	1,213,370	593,728
Total Expenditures	<u>\$ 3,330,279</u>	<u>\$ 6,321,875</u>	<u>\$ 6,565,173</u>	<u>\$ 3,234,894</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 458,178</u>	<u>\$ (350,718)</u>	<u>\$ (509,853)</u>	<u>\$ 968,031</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 3,000	\$ 3,000	\$ (3,000)
Transfers In	77,763	0	0	77,763
Total Other Financing Sources	<u>\$ 77,763</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 74,763</u>
Net Change in Fund Balance	\$ 535,941	\$ (347,718)	\$ (506,853)	\$ 1,042,794
Fund Balance, July 1, 2021	2,868,781	1,848,023	1,848,023	1,020,758
Fund Balance, June 30, 2022	<u>\$ 3,404,722</u>	<u>\$ 1,500,305</u>	<u>\$ 1,341,170</u>	<u>\$ 2,063,552</u>

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

Exhibit D-1

Hardeman County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2022

	Business-type Activities
	<u>Major</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal</u>
	<u>Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 340
Equity in Pooled Cash and Investments	3,508,459
Accounts Receivable	24,813
Allowance for Uncollectibles	(16,128)
Cash Shortage	1,890
Total Current Assets	<u>\$ 3,519,374</u>
Noncurrent Assets:	
Net Pension Asset - Agent Plan	\$ 153,933
Capital Assets:	
Assets Not Depreciated:	
Land	219,838
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	933,468
Other Capital Assets	832,453
Total Noncurrent Assets	<u>\$ 2,139,692</u>
Total Assets	<u>\$ 5,659,066</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 5,279
Pension Changes in Investment Earnings	
Pension Changes in Assumptions	93,854
Pension Contributions After Measurement Date	37,175
Total Deferred Outflows of Resources	<u>\$ 136,308</u>

(Continued)

Exhibit D-1

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

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 154,099
Payroll Deductions Payable	77
Accrued Leave - Current	6,751
Due to State of Tennessee	600
Note Payable - Current	80,781
Total Current Liabilities	<u>\$ 242,308</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 1,925,144
Note Payable - Long-term	537,944
Total Noncurrent Liabilities	<u>\$ 2,463,088</u>
Total Liabilities	<u>\$ 2,705,396</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 42,225
Pension Changes in Investment Earnings	157,622
Total Deferred Inflows of Resources	<u>\$ 199,847</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 1,367,034
Restricted for Pensions	153,933
Unrestricted	<u>1,369,164</u>
Net Position	<u>\$ 2,890,131</u>

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

Exhibit D-2

Hardeman County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2022

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Revenues</u>	
Residential Waste Collection Charge	\$ 1,115,674
Solid Waste Disposal Fee	197,851
Service Charges	12,025
Total Operating Revenues	<u>\$ 1,325,550</u>
<u>Operating Expenses</u>	
County Official/Administrative Officer	\$ 20,740
Accountants/Bookkeepers	9,501
Laborers	252,276
Clerical Personnel	95,708
Part-time Personnel	115,615
Bonus Payments	31,500
Social Security	32,243
Employee and Dependent Insurance	53,027
Disability Insurance	22,213
Unemployment Compensation	1,789
Employer Medicare	7,541
Audit Services	5,220
Communication	6,670
Consultants	35,818
Contracts with Private Agencies	686,440
Data Processing Services	12,254
Legal Notices, Recording, and Court Costs	25
Maintenance and Repair Services - Buildings	822
Maintenance and Repair Services - Equipment	46,476
Maintenance and Repair Services - Vehicles	8,730
Postal Charges	316
Rentals	4,216
Travel	1,111
Other Contracted Services	1,638
Custodial Supplies	893
Food Supplies	105

(Continued)

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Expenses (Cont.)</u>	
Gasoline	\$ 40,364
Lubricants	3,155
Office Supplies	2,136
Uniforms	3,412
Utilities	91,977
Gravel and Chert	17,033
Other Supplies and Materials	1,384
Liability Insurance	12,544
Refunds	756
Depreciation	206,805
Other Charges	6,334
Motor Vehicles	15,000
Solid Waste Equipment	680
Other Capital Outlay	83,043
Total Operating Expenses	<u>\$ 1,937,510</u>
Operating Income (Loss)	<u>\$ (611,960)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 6,180
Sale of Equipment	33,722
Other State Revenues	14,852
Total Nonoperating Revenues (Expenses)	<u>\$ 54,754</u>
Income(Loss) Before Transfers	\$ (557,206)
Special Item - See Note I.D.9.	982,842
Transfers In	<u>31,000</u>
Change in Net Position	\$ 456,636
Net Position, July 1, 2021	<u>2,433,495</u>
Net Position, June 30, 2022	<u><u>\$ 2,890,131</u></u>

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

Exhibit D-3

Hardeman County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2022

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,339,185
Payments for Waste Disposal and Maintenance	(1,118,191)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 220,994</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Other State Revenues	\$ 14,852
Transfers-In	31,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 45,852</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 6,180
Net Cash Provided By (Used In) Investing Activities	<u>\$ 6,180</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (633,000)
Sale of Equipment	33,722
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (599,278)</u>
Increase (Decrease) in Cash	\$ (326,252)
Cash, July 1, 2021	<u>3,835,051</u>
Cash, June 30, 2022	<u>\$ 3,508,799</u>

(Continued)

Exhibit D-3

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

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (611,960)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	206,805
Changes in Assets and Liabilities:	
(Increase) in Accounts Receivable	(7,598)
(Decrease) in Allowance for Uncollectibles	4,939
(Increase) in Net Pension Asset	(142,772)
(Increase) in Deferred Outflows of Resources Related to Pensions	(84,273)
Increase in Accounts Payable	113,951
(Decrease) in Payroll Deductions Payable	(94)
Increase in Due to State of Tennessee	489
Increase in Long Term Debt	618,725
(Decrease) in Compensated Absences	(2,098)
Increase in Deferred Inflows Related to Pensions	178,757
(Decrease) in Accrued Liability for Landfill Closure/Postclosure Costs	(53,877)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 220,994</u>
<u>Reconciliation of Cash with Statement of Net Position</u>	
Cash Per Net Position	\$ 340
Equity in Pooled Cash and Investments Per Net Position	<u>3,508,459</u>
Cash, June 30, 2022	<u>\$ 3,508,799</u>

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

Exhibit E-1

Hardeman County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,415,588
Due from Other Governments	<u>435,754</u>
Total Assets	<u>\$ 1,851,342</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 435,754</u>
Total Liabilities	<u>\$ 435,754</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,415,588</u>
Total Net Position	<u><u>\$ 1,415,588</u></u>

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

Hardeman County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 2,437,392
Fines/Fees and Other Collections	<u>6,898,339</u>
Total Additions	<u>\$ 9,335,731</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 2,437,392
Payments to State	2,928,326
Payments to Cities, Individuals, and Others	<u>4,214,307</u>
Total Deductions	<u>\$ 9,580,025</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (244,294)
Net Position, July 1, 2021	<u>1,659,882</u>
Net Position, June 30, 2022	<u><u>\$ 1,415,588</u></u>

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

HARDEMAN COUNTY, TENNESSEE
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HARDEMAN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hardeman County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Hardeman County:

A. Reporting Entity

Hardeman County is a public municipal corporation governed by an elected 16-member board. As required by GAAP, these financial statements present Hardeman County (the primary government) and its component units. The financial statements of the Hardeman County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Hardeman County School Department operates the public school system in the county, and the voters of Hardeman County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Hardeman County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Hardeman County, and the Hardeman County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Hardeman County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Hardeman County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Hardeman County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

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

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Hardeman County issues all debt for the discretely presented Hardeman County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2022.

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

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

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

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

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

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

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

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

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

Hardeman County reports the following major governmental funds:

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

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

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

Hardeman County reports the following major proprietary fund:

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

Additionally, Hardeman County reports the following fund type:

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY22) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY21) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

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

1. Deposits and Investments

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

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

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

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

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

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

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

2. Receivables and Payables

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

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. Ambulance and solid waste receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 1.75 percent of total taxes levied.

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Hardeman County School

Department’s Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Hardeman County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Hardeman County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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 a deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Absences

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

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors,

grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$4,817,969 in restricted net position, of which \$468,160 is restricted by enabling legislation.

As of June 30, 2022, Hardeman County had \$2,060,000 in outstanding debt for capital purposes for the discretely presented Hardeman County School Department. This debt is a liability of Hardeman County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Hardeman County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

making authority, and shall remain binding unless removed in the same manner.

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

9. Special Item

During the year, Hardeman County recognized a material reduction in its estimate for the Solid Waste Disposal Fund’s liability for postclosure care costs. As a result, a special item totaling \$982,842 has been recognized in the Government-wide Statement of Activities reducing this liability.

E. Pension Plans

Primary Government

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

Discretely Presented Hardeman County School Department

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

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Hardeman County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Hardeman County School Department

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

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

Primary Government

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

Discretely Presented Hardeman County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2022, Hardeman County and the Hardeman County School Department reported the following encumbrances:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
General	\$ 396,756
School Department:	
Major Funds:	
General Purpose School	119,324
School Federal Projects	812,216
Nonmajor Fund:	
Central Cafeteria	62,175

B. Cash Shortage – Prior Year

On February 4, 2015, the Comptroller’s Division of Investigations issued a special report on the Hardeman County Solid Waste Office for the period July 1, 2013, through September 9, 2014. This report disclosed that a former employee failed to make deposits of collections of at least \$3,062. On January 7, 2016, the former employee pled guilty to theft of property and was ordered to pay restitution of \$3,070 and a fine of \$500. The outstanding cash shortage totaled \$1,890 at June 30, 2022.

C. Expenditures Exceeded Appropriations

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Fund:	
General Government - Board of Equalization	\$ 100
Finance - Accounting and Budgeting	359
Public Safety - County Coroner/Medical Examiner	1,200
General Purpose School Fund:	
Support Services - Special Education Program	64,259

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

D. The Former County Mayor Failed to Comply with State Statutes When Issuing Debt

The former county mayor failed to comply with state statutes when issuing a capital outlay note for a landfill compactor. Details are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 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 fair 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, 2022, Hardeman 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 Hardeman County and the discretely presented Hardeman County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
State Treasurer's Investment Pool	1 to 44	N/A	\$ 2,029,655

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Hardeman County has no investment policy that would further limit its investment choices. As of June 30, 2022, Hardeman County’s investment in the State Treasurer’s Investment Pool was unrated.

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

TCRS Stabilization Trust

Legal Provisions. The Hardeman County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that member’s employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Hardeman County School Department may not impose any

restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2022, the Hardeman County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 83,682
Developed Market International Equity	N/A	N/A	37,792
Emerging Market International Equity	N/A	N/A	10,798
U.S. Fixed Income	N/A	N/A	53,989
Real Estate	N/A	N/A	26,995
Short-term Securities	N/A	N/A	2,700
NAV - Private Equity and Strategic Lending	N/A	N/A	53,989
 Total			\$ 269,945

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/2022/ag21066.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 1,757,650	\$ 0	\$ 0	\$ 1,757,650
Construction in Progress	34,000	0	(34,000)	0
Total Capital Assets Not Depreciated	\$ 1,791,650	\$ 0	\$ (34,000)	\$ 1,757,650
Capital Assets Depreciated:				
Buildings and Improvements	\$ 28,322,984	\$ 435,034	\$ 0	\$ 28,758,018
Infrastructure	29,591,112	0	0	29,591,112
Other Capital Assets	10,665,562	1,224,257	(140,619)	11,749,200
Total Capital Assets Depreciated	\$ 68,579,658	\$ 1,659,291	\$ (140,619)	\$ 70,098,330
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 16,272,856	\$ 958,861	\$ 0	\$ 17,231,717
Infrastructure	17,655,921	1,404,167	0	19,060,088
Other Capital Assets	7,374,356	761,297	(140,619)	7,995,034
Total Accumulated Depreciation	\$ 41,303,133	\$ 3,124,325	\$ (140,619)	\$ 44,286,839
Total Capital Assets Depreciated, Net	\$ 27,276,525	\$ (1,465,034)	\$ 0	\$ 25,811,491
Governmental Activities Capital Assets, Net	\$ 29,068,175	\$ (1,465,034)	\$ (34,000)	\$ 27,569,141

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

Governmental Activities:

General Government	\$ 217,632
Finance	4,187
Administration of Justice	182,313
Public Safety	687,509
Public Health and Welfare	213,794
Social, Cultural, and Recreational Services	
Highways/Public Works	<u>1,818,890</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 3,124,325</u>

Net Investment in Capital Assets

Capital Assets	\$ 27,569,141
Less:	
Outstanding principal of capital debt and other capital borrowings	(15,740,000)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(191,890)</u>
Net Investment in Capital Assets	<u>\$ 11,637,251</u>

Business-type Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 219,838	\$ 0	\$ 0	\$ 219,838
Total Capital Assets Not Depreciated	<u>\$ 219,838</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 219,838</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 2,507,367	\$ 0	\$ 0	\$ 2,507,367
Other Capital Assets	827,725	633,000	(6,500)	1,454,225
Total Capital Assets Depreciated	<u>\$ 3,335,092</u>	<u>\$ 633,000</u>	<u>\$ (6,500)</u>	<u>\$ 3,961,592</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,505,396	\$ 68,503	\$ 0	\$ 1,573,899
Other Capital Assets	489,970	138,302	(6,500)	621,772
Total Accumulated Depreciation	<u>\$ 1,995,366</u>	<u>\$ 206,805</u>	<u>\$ (6,500)</u>	<u>\$ 2,195,671</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,339,726</u>	<u>\$ 426,195</u>	<u>\$ 0</u>	<u>\$ 1,765,921</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,559,564</u>	<u>\$ 426,195</u>	<u>\$ 0</u>	<u>\$ 1,985,759</u>

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

Business-type Activities:

Solid Waste Disposal	<u>\$ 206,805</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 206,805</u>

Net Investment in Capital Assets

Capital Assets	\$ 1,985,759
Less:	
Outstanding principal of capital debt and other capital borrowings	(618,725)
Net Investment in Capital Assets	<u>\$ 1,367,034</u>

Discretely Presented Hardeman County School Department

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 358,116	\$ 0	\$ 0	\$ 358,116
Construction in Progress	0	628,453	0	628,453
Total Capital Assets Not Depreciated	<u>\$ 358,116</u>	<u>\$ 628,453</u>	<u>\$ 0</u>	<u>\$ 986,569</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 38,154,413	\$ 445,788	\$ 0	\$ 38,600,201
Other Capital Assets	10,344,859	236,065	(1,161,484)	9,419,440
Total Capital Assets Depreciated	<u>\$ 48,499,272</u>	<u>\$ 681,853</u>	<u>\$ (1,161,484)</u>	<u>\$ 48,019,641</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 25,050,116	\$ 1,187,228	\$ 0	\$ 26,237,344
Other Capital Assets	8,402,469	499,003	(1,161,484)	7,739,988
Total Accumulated Depreciation	<u>\$ 33,452,585</u>	<u>\$ 1,686,231</u>	<u>\$ (1,161,484)</u>	<u>\$ 33,977,332</u>
Total Capital Assets Depreciated, Net	<u>\$ 15,046,687</u>	<u>\$ (1,004,378)</u>	<u>\$ 0</u>	<u>\$ 14,042,309</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,404,803</u>	<u>\$ (375,925)</u>	<u>\$ 0</u>	<u>\$ 15,028,878</u>

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

Governmental Activities:

Instruction	\$ 708,715
Support Services	902,338
Operation of Non-instructional Services	<u>75,178</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,686,231</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,583
Nonmajor governmental	General	71,761
Discretely Presented School Department:		
General Purpose School	School Federal Projects	253,239
School Federal Projects	General Purpose School	8,090

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 receivable in the General Purpose School Fund totaling \$2,134 was in transit from the School Federal Projects Fund at June 30, 2022.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2022, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Purpose</u>
	Highway/ Public Works Fund	Solid Waste Disposal Fund	
General Fund	\$ 77,763	\$ 0	American Rescue Plan Act funds
"	0	31,000	"
Total	\$ 77,763	\$ 31,000	

Discretely Presented Hardeman County School Department

Transfers Out	Transfers In		Purpose
	General Purpose School Fund	School Federal Projects Fund	
General Purpose			
School Fund	\$ 0	\$ 500,000	Cash flow funds
"		12,561	Special Education funds
"	0	10,762	Literacy Training
School Federal			
Projects Fund	241,239	0	Indirect costs
"	475,038	0	ESSER funds
"	12,000	0	CCEIS program
Total	<u>\$ 728,277</u>	<u>\$ 523,323</u>	

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

D. Long-term Debt

Primary Government

General Obligation Bonds - Hardeman County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 26 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2022, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds	2 to 3 %	4-1-30	\$ 2,815,000	\$ 1,125,000
General Obligation Bonds - Refunding	2 to 5	6-1-43	21,800,000	16,675,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2022, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 910,000	\$ 509,080	\$ 1,419,080
2024	1,275,000	490,130	1,765,130
2025	485,000	463,455	948,455
2026	860,000	453,380	1,313,380
2027	525,000	434,005	959,005
2028-2032	3,390,000	1,933,087	5,323,087
2033-2037	3,900,000	1,497,487	5,397,487
2038-2042	5,235,000	768,488	6,003,488
2043	1,220,000	42,700	1,262,700
Total	<u>\$ 17,800,000</u>	<u>\$ 6,591,812</u>	<u>\$ 24,391,812</u>

There is \$964,123 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$699, based on the 2020 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled \$708, based on the 2020 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below.

Description of Debt	Outstanding 6-30-22
<u>Bonds Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation School Bonds, Series 2013	\$ 1,125,000
General Obligation Refunding Bonds, Series 2015	<u>935,000</u>
Total	<u>\$ 2,060,000</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement
Balance, July 1, 2021	\$ 19,190,000	\$ 496,236
Reductions	<u>(1,390,000)</u>	<u>(496,236)</u>
Balance, June 30, 2022	<u>\$ 17,800,000</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 910,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 17,800,000
Less: Balance Due Within One Year - Debt	(910,000)
Add: Unamortized Premium on Debt	<u>231,518</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 17,121,518</u>

Hardeman County Solid Waste Disposal Fund (enterprise fund)

Direct Borrowing and Direct Placements - Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The capital outlay note was issued for original terms of seven years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note included in long-term debt as of June 30, 2022, will be retired from the Solid Waste Disposal Fund.

The capital outlay note outstanding as of June 30, 2022, for business-type activities is as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-22
Direct Borrowings and Direct Placements:				
Capital Outlay Note	2.99	% 5-20-29	\$ 618,725	\$ 618,725

The annual requirements to amortize the note outstanding as of June 30, 2022, including interest payments, are presented in the following table:

Year Ending June 30	Note - Direct Placement		
	Principal	Interest	Total
2023	\$ 80,781	\$ 18,500	\$ 99,281
2024	83,196	16,085	99,281
2025	85,684	13,597	99,281
2026	88,246	11,035	99,281
2027	90,884	8,396	99,280
2028-2029	189,934	8,559	198,493
Total	<u>\$ 618,725</u>	<u>\$ 76,172</u>	<u>\$ 694,897</u>

Changes in Long-term Debt

Long-term debt activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2022, was as follows:

Business-type Activities:

	Notes - Direct Placement
Balance, July 1, 2021	\$ 0
Additions	<u>618,725</u>
Balance, June 30, 2022	<u>\$ 618,725</u>
Balance Due Within One Year	<u>\$ 80,781</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 618,725
Less: Balance Due Within One Year - Debt	<u>(80,781)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 537,944</u>

E. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2021	\$ 147,265
Additions	236,324
Reductions	<u>(211,572)</u>
Balance, June 30, 2022	<u>\$ 172,017</u>
Balance Due Within One Year	<u>\$ 172,017</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 172,017
Less: Balance Due Within One Year - Other	<u>(172,017)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 0</u>

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

Hardeman County Solid Waste Disposal (Enterprise) Fund

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2022, was as follows:

Business-type Activities:

	Landfill Closure/ Postclosure Care Costs	Compensated Absences
Balance, July 1, 2021	\$ 2,961,863	\$ 8,849
Additions	19,834	10,118
Reductions	(1,056,553)	(12,216)
Balance, June 30, 2022	<u>\$ 1,925,144</u>	<u>\$ 6,751</u>
Balance Due Within One Year	<u>\$ 73,710</u>	<u>\$ 6,751</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 1,931,895
Less: Balance Due Within One Year - Other	<u>(80,461)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,851,434</u>

Discretely Presented Hardeman County School Department**Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Hardeman County School Department for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Net OPEB Liability
Balance, July 1, 2021	\$ 214,613	\$ 3,398,267
Additions	64,164	985,772
Reductions	(125,420)	(227,553)
Balance, June 30, 2022	<u>\$ 153,357</u>	<u>\$ 4,156,486</u>
Balance Due Within One Year	<u>\$ 36,680</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 4,309,843
Less: Balance Due Within One Year - Other	<u>(36,680)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,273,163</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hardeman County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2022, were \$91,935. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

It is the policy of the county to carry commercial insurance for active employee's health and accident coverage. Retirees are not allowed to continue coverage. Settled claims have not exceeded this commercial insurance coverage in any of the past three fiscal years.

Liability, Property, Casualty, and Workers' Compensation Insurance

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

Discretely Presented Hardeman County School Department

Employee Health Insurance

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, became effective during the fiscal year. This statement enhances comparability in accounting and financial

reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provision about the following:

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of GASB Statement No. 84 to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement 93, *Replacement of Interbank Offered Rates*, became effective during the year. This statement was necessary due to the eventual ceasing of the London Interbank Offered Rate (LIBOR) and the replacement with another interbank offered rate (IBOR). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

GASB Statement No 98, *The Comprehensive Annual Financial Report*, became effective during the year. This statement replaces the terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements with annual comprehensive financial report and annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and ACFRs.

C. Contingent Liabilities

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

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

D. Changes in Administration

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

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

On December 31, 2021, Bobby Doyle left the Office of Director of Schools and was succeeded by Christy Smith effective January 1, 2022.

On January 30, 2022, Mary Powell passed away. Sandy Hammons was appointed to the Office of Trustee effective February 8, 2022.

E. Landfill Closure/Postclosure Care Costs

Hardeman County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a bailing/recycling center. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30

years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,925,144 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported to date based on the use of 99 percent of the estimated capacity of the extension landfill site (\$1,403,801) and for the original landfill site closed in 1999 (\$521,343) and represents estimates of the cost to perform all closure and postclosure care in 2022. The county will recognize the remaining estimated costs of closure and postclosure care of \$14,463 on the operating landfill as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Bolivar/Hardeman County Library is jointly owned by Hardeman County and the city of Bolivar and is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Hardeman County Mayor. The remaining three members are appointed by the Bolivar City Mayor. Hardeman County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Hardeman County contributed \$98,397 to the operations of the library during the year ended June 30, 2022.

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

Administrative Office:

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

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Hardeman County and non-certified employees of the discretely presented Hardeman County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees

comprised 58.77 percent and the non-certified employees of the discretely presented school department comprised 41.23 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 automatic cost of living adjustments (COLAs) 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	257
Inactive Employees Entitled to But Not Yet Receiving Benefits	385
Active Employees	325
Total	967

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Hardeman County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the employer contribution for Hardeman County was \$951,238 based on a rate of 10.28 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hardeman County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Hardeman County’s net pension liability (asset) was measured as of June 30, 2021, 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125% (use only if COLA is provided)

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 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	4.88	% 31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income Real Estate	6.57	20
Short-term Securities	1.20	20
	4.38	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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Hardeman County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2020	\$ 37,494,557	\$ 37,879,429	\$ (384,872)
Changes for the Year:			
Service Cost	\$ 858,513	\$ 0	\$ 858,513
Interest	2,722,626	0	2,722,626
Differences Between Expected and Actual Experience	(1,281,912)	0	(1,281,912)
Changes in Assumptions	3,685,828	0	3,685,828
Contributions-Employer	0	983,311	(983,311)
Contributions-Employees	0	5,501	(5,501)
Net Investment Income	0	9,689,028	(9,689,028)
Benefit Payments, Including Refunds of Employee Contributions	(1,599,209)	(1,599,209)	0
Administrative Expense	0	(30,657)	30,657
Net Changes	\$ 4,385,846	\$ 9,047,974	\$ (4,662,128)
Balance, June 30, 2021	\$ 41,880,403	\$ 46,927,403	\$ (5,047,000)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.77%	\$ 24,613,113	\$ 27,579,235	\$ (2,966,122)
School Department	41.23%	17,267,290	19,348,168	(2,080,878)
Total		<u>\$ 41,880,403</u>	<u>\$ 46,927,403</u>	<u>\$ (5,047,000)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Hardeman County calculated using the discount rate of 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Hardeman County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 572,736 \$ (5,047,000) \$ (9,689,263)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Hardeman County recognized pension expense (negative pension expense) of (\$312,344.)

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Hardeman County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 173,088	\$ 1,384,346
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,167,656
Changes in Assumptions	3,077,001	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	951,238	N/A
Total	<u>\$ 4,201,327</u>	<u>\$ 6,552,002</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,332,231	\$ 3,650,764
Business-type Activities	136,308	199,847
School Department	<u>1,732,788</u>	<u>2,701,391</u>
Total	<u>\$ 4,201,327</u>	<u>\$ 6,552,002</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
2023	\$ (851,667)
2024	(829,391)
2025	(708,425)
2026	(912,430)
2027	0
Thereafter	0

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

Discretely Presented Hardeman County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Hardeman County and non-certified employees of the discretely presented Hardeman County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 58.77 percent and the non-certified employees of the discretely presented school department comprised 41.23 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hardeman County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the

legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) 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 COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly 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, 2022, to the Teacher Retirement Plan were \$91,142, which is 2.01 percent of covered payroll. In addition, employer contributions of \$79,214, which is 1.99 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$230,301) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .212610 percent. The proportion as of June 30, 2020, was .230487 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense of \$32,274.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 4,007	\$ 42,140
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	132,568
Changes in Assumptions	83,068	0
Changes in Proportion of Net Pension Liability (Asset)	44,686	2,401
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	91,142	N/A
Total	<u>\$ 222,903</u>	<u>\$ 177,109</u>

The school department's employer contributions of \$91,142, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. 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
2023	\$ (24,812)
2024	(24,086)
2025	(23,880)
2026	(27,215)
2027	8,144
Thereafter	46,501

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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125% (use only if COLA is provided)

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income Real Estate	6.57		20	
	1.20		20	
	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 79,171 \$ (230,301) \$ (458,548)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hardeman County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$1,347,637, which is 10.3 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, 2022, the school department reported a liability (asset) of (\$17,316,975) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .410484 percent. The proportion measured at June 30, 2020, was .410473 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$2,717,084).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 58,194	\$ 1,444,292
Changes in Assumptions	4,626,806	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	13,809,901
Changes in Proportion of Net Pension Liability (Asset)	74,283	4,756
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	<u>1,347,637</u>	<u>N/A</u>
Total	<u>\$ 6,106,920</u>	<u>\$ 15,258,949</u>

The school department's employer contributions of \$1,347,637 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2023. 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
<u>June 30</u>	<u>Amount</u>
2023	\$ (2,485,466)
2024	(2,350,907)
2025	(1,936,398)
2026	(3,726,895)
2027	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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125% (use only if COLA is provided)

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income Real Estate	6.57		20	
	1.20		20	
	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ (3,081,839) \$ (17,316,975) \$ (29,163,449)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$218,563 and teachers contributed \$72,058 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

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

OPEB Provided Through State Administered Public Entity Risk Pools

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

The school department's total OPEB liability for the plan was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2021, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 10-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 2.16 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, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. 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 PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives

are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. 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 2022 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 percent.

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

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

Benefits provided. The Hardeman County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Hardeman County provided a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 25 or more years of service receive 45 percent; 20 but less than 25 years, 35 percent, and 15 but less than 20 years, 25 percent toward the cost of the insurance plan selected by the retiree. Also, the state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the

scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries	
Currently receiving Benefits	23
Inactive Employees Entitled to But Not	
Yet Receiving Benefits	0
Active Employees Eligible for Benefits	335
 Total	 <u><u>358</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 \$145,416 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Hardeman County School Department 64.378%	State of TN 35.622%	Total OPEB Liability
Balance July 1, 2020	\$ 3,398,267	\$ 1,760,032	\$ 5,158,299
Changes for the Year:			
Service Cost	\$ 165,390	\$ 91,515	\$ 256,905
Interest	75,395	41,719	117,114
Difference between Expected and Actuarial Experience	166,887	92,343	259,230
Changes in Proportion	(77,466)	77,466	0
Changes in Assumption and Other Inputs	578,099	319,880	897,979
Benefit Payments	(150,085)	(83,046)	(233,131)
Net Changes	\$ 758,219	\$ 539,878	\$ 1,298,097
Balance June 30, 2021	\$ 4,156,486	\$ 2,299,910	\$ 6,456,396

The Hardeman County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Hardeman County School Department's proportionate share of the collective total OPEB Liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$174,038 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hardeman County School Department's proportionate share of the collective OPEB Liability was 64.378% and the State of Tennessee's share was 35.622%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$477,222, including the state's share of the expense. At June 30, 2022, 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	\$ 180,633	\$ 277,973
Changes of Assumptions/Inputs	822,408	235,035
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	81,580	111,117
Benefits Paid After the Measurement Date of June 30, 2021	<u>145,416</u>	<u>0</u>
Total	<u>\$ 1,230,037</u>	<u>\$ 624,125</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>
2023	\$ 62,399
2024	62,399
2025	62,399
2026	62,399
2027	62,399
Thereafter	145,532

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
	1.16%	2.16%	3.16%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,454,250	\$ 4,156,486	\$ 3,872,249
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Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,712,316	\$ 4,156,486	\$ 4,673,451
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I. Purchasing Laws

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

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

J. Subsequent Events

On August 31, 2022, Jimmy Sain left the Office of County Mayor and was succeeded by Todd Pulse effective September 1, 2022.

On August 31, 2022, Polly Morris left the Office of County Clerk and was succeeded by Tonet Griggs effective September 1, 2022.

On August 31, 2022, Billy Davis left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Eunice Gudger effective September 1, 2022.

On August 31, 2022, Janice Bodiford left the Office of Clerk and Master and was succeeded by Kim Paras effective September 1, 2022.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 720,165	\$ 745,213	\$ 769,187	\$ 743,695	\$ 772,435	\$ 830,701	\$ 834,483	\$ 858,513
Interest	1,984,478	2,264,265	2,227,861	2,303,730	2,346,767	2,491,837	2,577,859	2,722,626
Differences Between Actual and Expected Experience	2,014,756	(2,342,360)	(700,148)	(863,492)	306,954	(537,246)	186,164	(1,281,912)
Changes in Assumptions	0	0	0	770,039	0	0	0	3,685,828
Benefit Payments, Including Refunds of Employee Contributions	(948,864)	(1,079,052)	(1,273,914)	(1,245,724)	(1,414,098)	(1,552,816)	(1,652,295)	(1,599,209)
Net Change in Total Pension Liability	\$ 3,770,535	\$ (411,934)	\$ 1,022,986	\$ 1,708,248	\$ 2,012,058	\$ 1,232,476	\$ 1,946,211	\$ 4,385,846
Total Pension Liability, Beginning	26,213,977	29,984,512	29,572,578	30,595,564	32,303,812	34,315,870	35,548,346	37,494,557
Total Pension Liability, Ending (a)	\$ 29,984,512	\$ 29,572,578	\$ 30,595,564	\$ 32,303,812	\$ 34,315,870	\$ 35,548,346	\$ 37,494,557	\$ 41,880,403
Plan Fiduciary Net Position								
Contributions - Employer	\$ 767,506	\$ 772,148	\$ 767,538	\$ 766,716	\$ 844,019	\$ 973,460	\$ 1,004,279	\$ 983,311
Contributions - Employee	0	394	0	14,061	0	335	3,134	5,501
Net Investment Income	4,154,524	889,770	778,962	3,356,358	2,689,958	2,567,986	1,806,060	9,689,028
Benefit Payments, Including Refunds of Employee Contributions	(948,864)	(1,079,052)	(1,273,914)	(1,245,724)	(1,414,098)	(1,552,816)	(1,652,295)	(1,599,209)
Administrative Expense	(13,867)	(18,785)	(27,551)	(30,536)	(35,047)	(32,892)	(32,062)	(30,657)
Net Change in Plan Fiduciary Net Position	\$ 3,959,299	\$ 564,475	\$ 245,035	\$ 2,860,875	\$ 2,084,832	\$ 1,956,073	\$ 1,129,116	\$ 9,047,974
Plan Fiduciary Net Position, Beginning	25,079,724	29,039,023	29,603,498	29,848,533	32,709,408	34,794,240	36,750,313	37,879,429
Plan Fiduciary Net Position, Ending (b)	\$ 29,039,023	\$ 29,603,498	\$ 29,848,533	\$ 32,709,408	\$ 34,794,240	\$ 36,750,313	\$ 37,879,429	\$ 46,927,403
Net Pension Liability (Asset), Ending (a - b)	\$ 945,489	\$ (30,920)	\$ 747,031	\$ (405,596)	\$ (478,370)	\$ (1,201,967)	\$ (384,872)	\$ (5,047,000)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.85%	100.10%	97.56%	101.26%	101.39%	103.38%	101.03%	112.05%
Covered Payroll	\$ 8,623,652	\$ 8,666,079	\$ 8,619,206	\$ 8,607,854	\$ 9,184,089	\$ 9,580,266	\$ 9,769,259	\$ 9,565,286
Net Pension Liability (Asset) as a Percentage of Covered Payroll	10.96%	(0.36)%	8.67%	(4.71)%	(5.21)%	(12.55)%	(3.94)%	(52.76)%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit F-2

Hardeman County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 767,506	\$ 772,148	\$ 767,538	\$ 766,716	\$ 844,019	\$ 973,460	\$ 1,004,279	\$ 983,311	\$ 951,238
Less: Contributions in Relation to the Actuarially Determined Contribution	(767,506)	(772,148)	(767,538)	(766,716)	(844,019)	(973,460)	(1,004,279)	(983,311)	(951,238)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,623,652	\$ 8,666,079	\$ 8,619,206	\$ 8,607,854	\$ 9,184,089	\$ 9,580,266	\$ 9,769,259	\$ 9,565,286	\$ 9,256,606
Contributions as a Percentage of Covered Payroll	8.90%	8.91%	8.90%	8.91%	9.19%	10.16%	10.28%	10.28%	10.28%

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 33,360	\$ 53,252	\$ 87,659	\$ 44,974	\$ 53,494	\$ 59,044	\$ 61,982	\$ 91,142
Less: Contributions in Relation to the Contractually Required Contribution	(33,360)	(53,252)	(87,659)	(110,316)	(53,494)	(59,044)	(61,982)	(91,142)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (65,342)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 833,981	\$ 1,331,303	\$ 2,121,651	\$ 2,757,924	\$ 2,757,452	\$ 2,908,559	\$ 3,068,403	\$ 4,534,428
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.13%	4.00%	1.94%	2.03%	2.02%	2.01%

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%
 2022: Pension - 2.01%, SRT - 1.99%

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 1,524,099	\$ 1,509,819	\$ 1,463,697	\$ 1,385,918	\$ 1,360,556	\$ 1,509,799	\$ 1,452,228	\$ 1,353,318	\$ 1,347,637
Less: Contributions in Relation to the Contractually Required Contribution	(1,524,099)	(1,509,819)	(1,463,697)	(1,385,918)	(1,360,556)	(1,509,799)	(1,452,228)	(1,353,318)	(1,347,637)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 17,163,279	\$ 16,701,599	\$ 16,191,323	\$ 15,400,814	\$ 14,984,072	\$ 14,431,776	\$ 13,662,423	\$ 13,183,485	\$ 13,084,882
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.00%	9.08%	10.46%	10.63%	10.27%	10.30%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.393109%	0.302566%	0.333895%	0.315594%	0.260574%	0.230487%	0.212610%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (16,148)	\$ (31,498)	\$ (88,093)	\$ (143,131)	\$ (147,901)	\$ (131,065)	\$ (230,301)
Covered Payroll	\$ 833,981	\$ 1,331,303	\$ 2,121,651	\$ 2,757,924	\$ 2,757,452	\$ 2,908,559	\$ 3,068,403
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.15)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%
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%	121.53%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.437282%	0.446147%	0.448539%	0.433697%	0.427912%	0.430463%	0.410473%	0.401484%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (71,056)	\$ 182,757	\$ 2,803,117	\$ (141,899)	\$ (1,505,787)	\$ (4,425,930)	\$ (3,130,159)	\$ (17,316,975)
Covered Payroll	\$ 17,163,279	\$ 16,701,599	\$ 16,191,323	\$ 15,400,814	\$ 14,984,072	\$ 14,431,776	\$ 13,662,423	\$ 13,183,485
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094250%	17.31%	(0.92)%	(10.05)%	(30.67)%	(22.91)%	(131.35)%
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%	116.13%

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

Exhibit F-7

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

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 256,757	\$ 238,226	\$ 232,128	\$ 202,058	\$ 256,905
Interest	151,532	181,280	182,267	170,740	117,114
Differences Between Actual and Expected Experience	0	(361,660)	82,020	(277,213)	259,230
Changes in Assumptions or Other Inputs	(226,325)	160,451	(380,504)	522,925	897,979
Benefit Payments	(250,134)	(271,380)	(269,649)	(242,980)	(233,131)
Net Change in Total OPEB Liability	\$ (68,170)	\$ (53,083)	\$ (153,738)	\$ 375,530	\$ 1,298,097
Total OPEB Liability, Beginning	5,057,760	4,989,590	4,936,507	4,782,769	5,158,299
Total OPEB Liability, Ending	\$ 4,989,590	\$ 4,936,507	\$ 4,782,769	\$ 5,158,299	\$ 6,456,396
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,783,763	\$ 1,778,046	\$ 1,745,424	\$ 1,760,032	\$ 2,299,910
Employer Proportionate Share of the Total OPEB Liability	3,205,827	3,158,461	3,037,345	3,398,267	4,156,486
Covered Employee Payroll	\$ 18,762,162	\$ 18,327,272	\$ 17,711,118	\$ 17,011,783	\$ 16,907,329
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.09%	17.23%	17.15%	19.98%	24.58%

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%
2021	2.16%

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

For the 2019 plan year - from 5.4% to 6.75%
 For the 2020 plan year - from 6.75% to 6.03%
 For the 2021 plan year - from 6.03% to 9.02%
 or the 2022 plan year - from 9.02% to 7.36%

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

HARDEMAN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience, Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Exhibit G-1

Hardeman County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	<u>Special Revenue Funds</u>		
	<u>Drug</u>	<u>Constitu -</u> <u>tional</u>	<u>Total</u>
	<u>Control</u>	<u>Officers -</u> <u>Fees</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 85,583	\$ 85,583
Equity in Pooled Cash and Investments	134,051	0	134,051
Accounts Receivable	0	264	264
Due from Other Funds	71,761	0	71,761
Total Assets	<u>\$ 205,812</u>	<u>\$ 85,847</u>	<u>\$ 291,659</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 0	\$ 1,583	\$ 1,583
Total Liabilities	<u>\$ 0</u>	<u>\$ 1,583</u>	<u>\$ 1,583</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 205,812	\$ 0	\$ 205,812
Committed:			
Committed for Finance	0	84,264	84,264
Total Fund Balances	<u>\$ 205,812</u>	<u>\$ 84,264</u>	<u>\$ 290,076</u>
Total Liabilities and Fund Balances	<u>\$ 205,812</u>	<u>\$ 85,847</u>	<u>\$ 291,659</u>

Exhibit G-2

Hardeman County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	<u>Special Revenue Funds</u>		
	Drug	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
	Control		
<u>Revenues</u>			
Fines, Forfeitures, and Penalties	\$ 103,061	\$ 0	\$ 103,061
Charges for Current Services	0	347,197	347,197
Total Revenues	<u>\$ 103,061</u>	<u>\$ 347,197</u>	<u>\$ 450,258</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 343,237	\$ 343,237
Public Safety	21,800	0	21,800
Total Expenditures	<u>\$ 21,800</u>	<u>\$ 343,237</u>	<u>\$ 365,037</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 81,261</u>	<u>\$ 3,960</u>	<u>\$ 85,221</u>
Net Change in Fund Balances	\$ 81,261	\$ 3,960	\$ 85,221
Fund Balance, July 1, 2021	124,551	80,304	204,855
Fund Balance, June 30, 2022	<u>\$ 205,812</u>	<u>\$ 84,264</u>	<u>\$ 290,076</u>

Exhibit G-3

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 103,061	\$ 0	\$ 103,061	\$ 66,500	\$ 66,500	\$ 36,561
Total Revenues	\$ 103,061	\$ 0	\$ 103,061	\$ 66,500	\$ 66,500	\$ 36,561
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 21,800	\$ (2,085)	\$ 19,715	\$ 60,000	\$ 60,000	\$ 40,285
Total Expenditures	\$ 21,800	\$ (2,085)	\$ 19,715	\$ 60,000	\$ 60,000	\$ 40,285
Excess (Deficiency) of Revenues Over Expenditures	\$ 81,261	\$ 2,085	\$ 83,346	\$ 6,500	\$ 6,500	\$ 76,846
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (69,094)	\$ 69,094
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ (69,094)	\$ 69,094
Net Change in Fund Balance	\$ 81,261	\$ 2,085	\$ 83,346	\$ 6,500	\$ (62,594)	\$ 145,940
Fund Balance, July 1, 2021	124,551	(2,085)	122,466	124,438	124,438	(1,972)
Fund Balance, June 30, 2022	\$ 205,812	\$ 0	\$ 205,812	\$ 130,938	\$ 61,844	\$ 143,968

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,137,657	\$ 1,097,200	\$ 1,097,200	\$ 40,457
Other Governments and Citizens Groups	1,037,140	704,143	704,143	332,997
Total Revenues	\$ 2,174,797	\$ 1,801,343	\$ 1,801,343	\$ 373,454
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 491,154	\$ 489,379	\$ 491,155	\$ 1
Education	965,000	620,000	965,000	0
<u>Interest on Debt</u>				
General Government	482,540	684,815	684,047	201,507
Education	70,812	70,813	70,813	1
<u>Other Debt Service</u>				
General Government	15,591	13,000	15,800	209
Education	1,328	1,250	1,328	0
Total Expenditures	\$ 2,026,425	\$ 1,879,257	\$ 2,228,143	\$ 201,718
Excess (Deficiency) of Revenues Over Expenditures	\$ 148,372	\$ (77,914)	\$ (426,800)	\$ 575,172
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 690,000	\$ 690,000	\$ (690,000)
Total Other Financing Sources	\$ 0	\$ 690,000	\$ 690,000	\$ (690,000)
Net Change in Fund Balance	\$ 148,372	\$ 612,086	\$ 263,200	\$ (114,828)
Fund Balance, July 1, 2021	815,751	668,975	668,975	146,776
Fund Balance, June 30, 2022	\$ 964,123	\$ 1,281,061	\$ 932,175	\$ 31,948

Custodial Funds

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

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

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

Exhibit I-1

Hardeman County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2022

	<u>Custodial Funds</u>		
	<u>Cities -</u>	<u>Constitu -</u>	
	<u>Sales</u>	<u>tional</u>	
	<u>Tax</u>	<u>Officers -</u>	<u>Total</u>
		<u>Custodial</u>	
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,415,588	\$ 1,415,588
Due from Other Governments	435,754	0	435,754
Total Assets	<u>\$ 435,754</u>	<u>\$ 1,415,588</u>	<u>\$ 1,851,342</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 435,754	\$ 0	\$ 435,754
Total Liabilities	<u>\$ 435,754</u>	<u>\$ 0</u>	<u>\$ 435,754</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 1,415,588	\$ 1,415,588
Total Net Position	<u>\$ 0</u>	<u>\$ 1,415,588</u>	<u>\$ 1,415,588</u>

Exhibit I-2

Hardeman County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 2,437,392	\$ 0	\$ 2,437,392
Fines/Fees and Other Collections	0	6,898,339	6,898,339
Total Additions	<u>\$ 2,437,392</u>	<u>\$ 6,898,339</u>	<u>\$ 9,335,731</u>
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 2,437,392	\$ 0	\$ 2,437,392
Payments to State	0	2,928,326	2,928,326
Payments to Cities, Individuals, and Others	0	4,214,307	4,214,307
Total Deductions	<u>\$ 2,437,392</u>	<u>\$ 7,142,633</u>	<u>\$ 9,580,025</u>
Change in Net Position	\$ 0	\$ (244,294)	\$ (244,294)
Net Position July 1, 2021	0	1,659,882	1,659,882
Net Position June 30, 2022	<u>\$ 0</u>	<u>\$ 1,415,588</u>	<u>\$ 1,415,588</u>

Hardeman County School Department

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

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

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

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

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

Exhibit J-1

Hardeman County, Tennessee
Statement of Activities
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2022

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	\$ 19,515,422	\$ 1,700	\$ 3,295,173	\$ 0	\$ (16,218,549)
Support Services	13,146,346	35,141	2,550,852	1,141,766	(9,418,587)
Operation of Non-instructional Services	3,986,309	145,558	4,191,536	0	350,785
Total Governmental Activities	\$ 36,648,077	\$ 182,399	\$ 10,037,561	\$ 1,141,766	\$ (25,286,351)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,025,565
Local Option Sales Taxes					3,527,264
Other Local Taxes					5,616
Grants and Contributions Not Restricted for Specific Programs					23,601,512
Miscellaneous					151,022
Total General Revenues					\$ 33,310,979
Change in Net Position					\$ 8,024,628
Net Position, July 1, 2021					27,752,154
Net Position, June 30, 2022					\$ 35,776,782

Exhibit J-2

Hardeman County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hardeman County School Department
June 30, 2022

	Major Funds		Nonmajor	Total
	General	School	Other	
	Purpose	Federal	Govern- mental	
	School	Projects	Funds	Governmental
			Funds	Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,131,815	\$ 1,131,815
Equity in Pooled Cash and Investments	8,419,852	954,070	1,585,920	10,959,842
Inventories	0	0	832	832
Accounts Receivable	9,345	7,477	1,680	18,502
Due from Other Governments	2,068,253	1,041,148	45,512	3,154,913
Due from Other Funds	253,239	8,090	0	261,329
Property Taxes Receivable	6,819,383	0	0	6,819,383
Allowance for Uncollectible Property Taxes	(228,344)	0	0	(228,344)
Prepaid Items	0	0	8,051	8,051
Restricted Assets	269,945	0	0	269,945
Total Assets	<u>\$ 17,611,673</u>	<u>\$ 2,010,785</u>	<u>\$ 2,773,810</u>	<u>\$ 22,396,268</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 112,278	\$ 49,445	\$ 14,969	\$ 176,692
Accrued Payroll	409,830	179,950	30,765	620,545
Payroll Deductions Payable	27,458	4,725	0	32,183
Due to Other Funds	8,090	251,105	0	259,195
Total Liabilities	<u>\$ 557,656</u>	<u>\$ 485,225</u>	<u>\$ 45,734</u>	<u>\$ 1,088,615</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,409,134	\$ 0	\$ 0	\$ 6,409,134
Deferred Delinquent Property Taxes	161,481	0	0	161,481
Other Deferred/Unavailable Revenue	324,107	0	0	324,107
Total Deferred Inflows of Resources	<u>\$ 6,894,722</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,894,722</u>

(Continued)

Exhibit J-2

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

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Funds	
			Other Govern- mental Funds	
				Governmental Funds
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 832	\$ 832
Restricted:				
Restricted for Education	159,281	0	1,132,758	1,292,039
Restricted for Instruction	13,881	0	0	13,881
Restricted for Operation of Non-instructional Services	0	0	1,594,486	1,594,486
Restricted for Hybrid Retirement Stabilization Funds	269,945	0	0	269,945
Committed:				
Committed for Education	863,906	0	0	863,906
Assigned:				
Assigned for Education	119,324	1,525,560	0	1,644,884
Unassigned	8,732,958	0	0	8,732,958
Total Fund Balances	<u>\$ 10,159,295</u>	<u>\$ 1,525,560</u>	<u>\$ 2,728,076</u>	<u>\$ 14,412,931</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,611,673</u>	<u>\$ 2,010,785</u>	<u>\$ 2,773,810</u>	<u>\$ 22,396,268</u>

Exhibit J-3

Hardeman County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Hardeman County School Department
June 30, 2022

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 14,412,931
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 358,116	
Add: construction in progress	628,453	
Add: buildings and improvements net of accumulated depreciation	12,362,857	
Add: other capital assets net of accumulated depreciation	<u>1,679,452</u>	15,028,878
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net OPEB liability	\$ (4,156,486)	
Less: compensated absences payable	<u>(153,357)</u>	(4,309,843)
(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	\$ 8,062,611	
Less: deferred inflows of resources related to pensions	(18,137,449)	
Add: deferred outflows of resources related to OPEB	1,230,037	
Less: deferred inflows of resources related to OPEB	<u>(624,125)</u>	(9,468,926)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 2,080,878	
Add: net pension asset - teacher retirement plan	230,301	
Add: net pension asset - teacher legacy plan	<u>17,316,975</u>	19,628,154
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>485,588</u>
Net position of governmental activities (Exhibit A)		<u>\$ 35,776,782</u>

Exhibit J-4

Hardeman County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2022

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Funds	
			Other Govern- mental Funds	
				Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 9,482,307	\$ 0	\$ 0	\$ 9,482,307
Licenses and Permits	2,689	0	0	2,689
Charges for Current Services	18,163	0	145,558	163,721
Other Local Revenues	149,930	0	719,106	869,036
State of Tennessee	23,473,559	0	19,649	23,493,208
Federal Government	145,544	7,398,352	2,959,607	10,503,503
Total Revenues	\$ 33,272,192	\$ 7,398,352	\$ 3,843,920	\$ 44,514,464
<u>Expenditures</u>				
Current:				
Instruction	\$ 17,250,603	\$ 3,114,645	\$ 0	\$ 20,365,248
Support Services	11,273,162	2,574,706	0	13,847,868
Operation of Non-Instructional Services	1,041,441	323,759	2,938,208	4,303,408
Capital Outlay	189,384	1,033,736	0	1,223,120
Debt Service:				
Other Debt Service	1,037,140	0	0	1,037,140
Total Expenditures	\$ 30,791,730	\$ 7,046,846	\$ 2,938,208	\$ 40,776,784
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,480,462	\$ 351,506	\$ 905,712	\$ 3,737,680
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 29,071	\$ 0	\$ 0	\$ 29,071
Transfers In	728,277	523,323	0	1,251,600
Transfers Out	(523,323)	(728,277)	0	(1,251,600)
Total Other Financing Sources (Uses)	\$ 234,025	\$ (204,954)	\$ 0	\$ 29,071

(Continued)

Exhibit J-4

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

	Major Funds		Nonmajor	Total
	General Purpose School	School Federal Projects	Funds	
			Other Govern- mental Funds	
Net Change in Fund Balances	\$ 2,714,487	\$ 146,552	\$ 905,712	\$ 3,766,751
Fund Balance, July 1, 2021	7,444,808	1,379,008	1,822,364	10,646,180
Fund Balance, June 30, 2022	\$ 10,159,295	\$ 1,525,560	\$ 2,728,076	\$ 14,412,931

Exhibit J-5

Hardeman County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 3,766,751
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,310,306	
Less: current-year depreciation expense	<u>(1,686,231)</u>	(375,925)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 485,588	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(409,450)</u>	76,138
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net OPEB liability	\$ (758,219)	
Change in deferred outflows related to OPEB	572,883	
Change in deferred inflows related to OPEB	27,568	
Change in net pension asset - agent plan	1,920,694	
Change in net pension asset - teacher retirement plan	99,236	
Change in net pension asset - teacher legacy pension plan	14,186,816	
Change in deferred outflows related to pensions	4,713,294	
Change in deferred inflows related to pensions	<u>(16,265,864)</u>	
Change in compensated absences payable	<u>61,256</u>	4,557,664
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,024,628</u>

Exhibit J-6

Hardeman County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hardeman County School Department
June 30, 2022

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>ASSETS</u>			
Cash	\$ 1,878	\$ 1,129,937	\$ 1,131,815
Equity in Pooled Cash and Investments	1,585,920	0	1,585,920
Inventories	0	832	832
Accounts Receivable	75	1,605	1,680
Due from Other Governments	45,512	0	45,512
Prepaid Items	0	8,051	8,051
Total Assets	<u>\$ 1,633,385</u>	<u>\$ 1,140,425</u>	<u>\$ 2,773,810</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 8,134	\$ 6,835	\$ 14,969
Accrued Payroll	30,765	0	30,765
Total Liabilities	<u>\$ 38,899</u>	<u>\$ 6,835</u>	<u>\$ 45,734</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 832	\$ 832
Restricted:			
Restricted for Education	0	1,132,758	1,132,758
Restricted for Operation of Non-instructional Services	1,594,486	0	1,594,486
Total Fund Balances	<u>\$ 1,594,486</u>	<u>\$ 1,133,590</u>	<u>\$ 2,728,076</u>
Total Liabilities and Fund Balances	<u>\$ 1,633,385</u>	<u>\$ 1,140,425</u>	<u>\$ 2,773,810</u>

Exhibit J-7

Hardeman County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2022

	<u>Special Revenue Funds</u>		Total
	Central Cafeteria	Internal School	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 145,558	\$ 0	\$ 145,558
Other Local Revenues	13,101	706,005	719,106
State of Tennessee	19,649	0	19,649
Federal Government	2,959,607	0	2,959,607
Total Revenues	<u>\$ 3,137,915</u>	<u>\$ 706,005</u>	<u>\$ 3,843,920</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 2,168,110	\$ 770,098	\$ 2,938,208
Total Expenditures	<u>\$ 2,168,110</u>	<u>\$ 770,098</u>	<u>\$ 2,938,208</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 969,805</u>	<u>\$ (64,093)</u>	<u>\$ 905,712</u>
Net Change in Fund Balances	\$ 969,805	\$ (64,093)	\$ 905,712
Fund Balance, July 1, 2021	624,681	1,197,683	1,822,364
Fund Balance, June 30, 2022	<u>\$ 1,594,486</u>	<u>\$ 1,133,590</u>	<u>\$ 2,728,076</u>

Exhibit J-8

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hardeman County School Department
General Purpose School Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,482,307	\$ 0	\$ 0	\$ 9,482,307	\$ 8,006,606	\$ 8,006,606	\$ 1,475,701
Licenses and Permits	2,689	0	0	2,689	2,000	2,000	689
Charges for Current Services	18,163	0	0	18,163	21,600	21,600	(3,437)
Other Local Revenues	149,930	0	0	149,930	53,500	63,500	86,430
State of Tennessee	23,473,559	0	0	23,473,559	22,664,106	23,736,523	(262,964)
Federal Government	145,544	0	0	145,544	30,000	30,000	115,544
Total Revenues	\$ 33,272,192	\$ 0	\$ 0	\$ 33,272,192	\$ 30,777,812	\$ 31,860,229	\$ 1,411,963
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 13,822,934	\$ 0	\$ 0	\$ 13,822,934	\$ 13,538,052	\$ 14,149,345	\$ 326,411
Alternative Instruction Program	63,048	0	0	63,048	164,031	87,531	24,483
Special Education Program	2,300,490	0	0	2,300,490	2,510,850	2,510,914	210,424
Career and Technical Education Program	1,064,131	(9,618)	0	1,054,513	1,219,727	1,366,930	312,417
<u>Support Services</u>							
Attendance	183,687	0	248	183,935	211,170	233,459	49,524
Health Services	112,578	0	0	112,578	441,208	441,208	328,630
Other Student Support	1,181,074	(16,983)	80,360	1,244,451	1,110,134	1,435,494	191,043
Regular Instruction Program	1,146,101	0	4,000	1,150,101	1,402,868	1,414,868	264,767
Special Education Program	604,978	0	0	604,978	510,564	540,719	(64,259)
Career and Technical Education Program	51,692	0	0	51,692	52,868	52,868	1,176
Technology	509,939	(13,735)	2,160	498,364	537,118	537,118	38,754
Other Programs	91,935	0	0	91,935	0	91,935	0
Board of Education	472,761	0	500	473,261	522,002	522,002	48,741
Director of Schools	441,858	(3,892)	0	437,966	464,301	470,301	32,335
Office of the Principal	1,876,569	0	0	1,876,569	1,850,590	1,914,936	38,367
Fiscal Services	172,443	0	0	172,443	284,566	284,566	112,123
Human Services/Personnel	98,267	0	0	98,267	100,587	100,587	2,320
Operation of Plant	1,905,863	0	0	1,905,863	1,927,920	1,927,920	22,057

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 880,477	\$ (11,820)	\$ 31,747	\$ 900,404	\$ 826,099	\$ 914,914	\$ 14,510
Transportation	1,542,940	(186)	309	1,543,063	1,802,277	1,862,740	319,677
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,041,441	0	0	1,041,441	1,027,267	1,042,797	1,356
<u>Capital Outlay</u>							
Regular Capital Outlay	189,384	(189,384)	0	0	0	0	0
<u>Principal on Debt</u>							
Education	0	0	0	0	965,000	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	70,813	1	1
<u>Other Debt Service</u>							
Education	1,037,140	0	0	1,037,140	0	1,037,142	2
Total Expenditures	\$ 30,791,730	\$ (245,618)	\$ 119,324	\$ 30,665,436	\$ 31,540,012	\$ 32,940,295	\$ 2,274,859
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 2,480,462	\$ 245,618	\$ (119,324)	\$ 2,606,756	\$ (762,200)	\$ (1,080,066)	\$ 3,686,822
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 29,071	\$ 0	\$ 0	\$ 29,071	\$ 0	\$ 26,831	\$ 2,240
Transfers In	728,277	0	0	728,277	560,344	572,344	155,933
Transfers Out	(523,323)	0	0	(523,323)	0	(632,496)	109,173
Total Other Financing Sources	\$ 234,025	\$ 0	\$ 0	\$ 234,025	\$ 560,344	\$ (33,321)	\$ 267,346
Net Change in Fund Balance							
Fund Balance, July 1, 2021	\$ 2,714,487	\$ 245,618	\$ (119,324)	\$ 2,840,781	\$ (201,856)	\$ (1,113,387)	\$ 3,954,168
	7,444,808	(245,618)	0	7,199,190	5,339,487	5,339,487	1,859,703
Fund Balance, June 30, 2022							
	\$ 10,159,295	\$ 0	\$ (119,324)	\$ 10,039,971	\$ 5,137,631	\$ 4,226,100	\$ 5,813,871

Exhibit J-9

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hardeman County School Department
School Federal Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 7,398,352	\$ 0	\$ 0	\$ 7,398,352	\$ 20,308,209	\$ 20,853,284	\$ (13,454,932)
Total Revenues	\$ 7,398,352	\$ 0	\$ 0	\$ 7,398,352	\$ 20,308,209	\$ 20,853,284	\$ (13,454,932)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,971,628	\$ (31,841)	\$ 91,000	\$ 2,030,787	\$ 5,928,268	\$ 6,306,944	\$ 4,276,157
Alternative Instruction Program	1,179	0	0	1,179	1,179	1,179	0
Special Education Program	914,740	(24)	0	914,716	1,126,977	1,352,640	437,924
Career and Technical Education Program	227,098	(562)	0	226,536	1,219,255	1,209,240	982,704
<u>Support Services</u>							
Attendance	3,351	0	0	3,351	3,539	3,539	188
Health Services	733,331	(12,261)	0	721,070	1,453,816	1,240,631	519,561
Other Student Support	244,923	0	840	245,763	825,985	849,147	603,384
Regular Instruction Program	624,883	0	0	624,883	1,696,460	1,461,144	836,261
Special Education Program	202,163	0	0	202,163	260,892	337,346	135,183
Career and Technical Education Program	3,578	0	0	3,578	40,422	38,892	35,314
Technology	254,878	0	0	254,878	521,413	484,820	229,942
Director of Schools	2,539	0	0	2,539	2,359	2,539	0
Office of the Principal	35,442	0	0	35,442	36,562	36,562	1,120
Fiscal Services	2,182	0	0	2,182	4,717	4,717	2,535
Human Services/Personnel	1,179	0	0	1,179	201,179	201,179	200,000
Operation of Plant	16,038	0	0	16,038	6,281	162,332	146,294
Maintenance of Plant	8,845	0	0	8,845	40,384	99,564	90,719
Transportation	441,374	0	68,104	509,478	803,467	741,585	232,107
<u>Operation of Non-Instructional Services</u>							
Food Service	52,555	0	0	52,555	613,123	60,145	7,590
Community Services	249,768	0	0	249,768	306,899	307,626	57,858
Early Childhood Education	21,436	0	0	21,436	24,767	24,767	3,331

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Capital Outlay</u>							
Regular Capital Outlay	\$ 1,033,736	\$ (831,567)	\$ 652,272	\$ 854,441	\$ 3,967,755	\$ 4,534,166	\$ 3,679,725
Total Expenditures	\$ 7,046,846	\$ (876,255)	\$ 812,216	\$ 6,982,807	\$ 19,085,699	\$ 19,460,704	\$ 12,477,897
Excess (Deficiency) of Revenues Over Expenditures	\$ 351,506	\$ 876,255	\$ (812,216)	\$ 415,545	\$ 1,222,510	\$ 1,392,580	\$ (977,035)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 523,323	\$ 0	\$ 0	\$ 523,323	\$ 121,111	\$ 121,175	\$ 402,148
Transfers Out	(728,277)	0	0	(728,277)	(1,343,625)	(1,513,758)	785,481
Total Other Financing Sources	\$ (204,954)	\$ 0	\$ 0	\$ (204,954)	\$ (1,222,514)	\$ (1,392,583)	\$ 1,187,629
Net Change in Fund Balance	\$ 146,552	\$ 876,255	\$ (812,216)	\$ 210,591	\$ (4)	\$ (3)	\$ 210,594
Fund Balance, July 1, 2021	1,379,008	(876,255)	0	502,753	1,379,008	1,379,008	(876,255)
Fund Balance, June 30, 2022	\$ 1,525,560	\$ 0	\$ (812,216)	\$ 713,344	\$ 1,379,004	\$ 1,379,005	\$ (665,661)

Exhibit J-10

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hardeman County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 145,558	\$ 0	\$ 145,558	\$ 196,829	\$ 196,829	\$ (51,271)
Other Local Revenues	13,101	0	13,101	4,500	4,500	8,601
State of Tennessee	19,649	0	19,649	22,000	22,000	(2,351)
Federal Government	2,959,607	0	2,959,607	2,076,446	2,123,046	836,561
Total Revenues	\$ 3,137,915	\$ 0	\$ 3,137,915	\$ 2,299,775	\$ 2,346,375	\$ 791,540
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,168,110	\$ 62,175	\$ 2,230,285	\$ 2,330,695	\$ 2,377,295	\$ 147,010
Total Expenditures	\$ 2,168,110	\$ 62,175	\$ 2,230,285	\$ 2,330,695	\$ 2,377,295	\$ 147,010
Excess (Deficiency) of Revenues Over Expenditures	\$ 969,805	\$ (62,175)	\$ 907,630	\$ (30,920)	\$ (30,920)	\$ 938,550
Net Change in Fund Balance	\$ 969,805	\$ (62,175)	\$ 907,630	\$ (30,920)	\$ (30,920)	\$ 938,550
Fund Balance, July 1, 2021	624,681	0	624,681	221,567	221,567	403,114
Fund Balance, June 30, 2022	\$ 1,594,486	\$ (62,175)	\$ 1,532,311	\$ 190,647	\$ 190,647	\$ 1,341,664

MISCELLANEOUS SCHEDULES

Exhibit K-1

Hardeman County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-22
GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES								
<u>NOTES PAYABLE</u>								
<u>Payable through General and General Debt Service Funds</u>								
Capital Outlay Note, Series 2015	\$ 800,000	2.59	% 10-21-15	10-26-21	\$ 496,236	\$ 0	\$ 496,236	\$ 0
<u>Payable through Solid Waste Disposal Fund</u>								
2021 Caterpillar Model 816-11	618,725	2.99	5-20-22	5-20-29	0	618,725	0	618,725
Total Notes Payable					<u>\$ 496,236</u>	<u>\$ 618,725</u>	<u>\$ 496,236</u>	<u>\$ 618,725</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation School Bonds, Series 2013	2,815,000	2 to 3	6-12-13	4-1-30	\$ 1,635,000	\$ 0	\$ 510,000	\$ 1,125,000
General Obligation Refunding Bonds, Series 2015	3,940,000	2	4-1-15	4-1-24	1,390,000	0	455,000	935,000
General Obligation Refunding Bonds, Series 2016	8,820,000	2 to 2.75	8-22-16	6-1-35	7,480,000	0	400,000	7,080,000
General Obligation Refunding Bonds, Series 2017	9,040,000	3.25 to 5	6-9-17	6-1-43	8,685,000	0	25,000	8,660,000
Total Bonds Payable					<u>\$ 19,190,000</u>	<u>\$ 0</u>	<u>\$ 1,390,000</u>	<u>\$ 17,800,000</u>

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Note		
	Principal	Interest	Total
2023	\$ 80,781	\$ 18,500	\$ 99,281
2024	83,196	16,085	99,281
2025	85,684	13,597	99,281
2026	88,246	11,035	99,281
2027	90,884	8,396	99,280
2028	93,601	5,679	99,280
2029	96,333	2,880	99,213
Total	\$ 618,725	\$ 76,172	\$ 694,897

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 910,000	\$ 509,080	\$ 1,419,080
2024	1,275,000	490,130	1,765,130
2025	485,000	463,455	948,455
2026	860,000	453,380	1,313,380
2027	525,000	434,005	959,005
2028	925,000	423,130	1,348,130
2029	570,000	399,205	969,205
2030	640,000	386,030	1,026,030
2031	620,000	370,242	990,242
2032	635,000	354,480	989,480
2033	675,000	338,343	1,013,343
2034	710,000	321,167	1,031,167
2035	740,000	303,118	1,043,118
2036	865,000	282,567	1,147,567
2037	910,000	252,292	1,162,292
2038	945,000	221,808	1,166,808
2039	1,010,000	189,678	1,199,678
2040	1,045,000	155,337	1,200,337
2041	1,100,000	119,808	1,219,808
2042	1,135,000	81,857	1,216,857
2043	1,220,000	42,700	1,262,700
Total	\$ 17,800,000	\$ 6,591,812	\$ 24,391,812

Exhibit K-3

Hardeman County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	American Rescue Plan funds	\$ 77,763
"	Solid Waste Disposal	"	<u>31,000</u>
Total Primary Government			<u>\$ 108,763</u>
<u>DISCRETELY PRESENTED HARDEMAN COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow funds	\$ 500,000
"	"	Special Education funds	12,561
"	"	Literacy training	10,762
School Federal Projects	General Purpose School	Indirect costs	241,239
"	"	CCEIS program	12,000
"	"	ESSER funds	<u>475,038</u>
Total Transfers Discretely Presented Hardeman County School Department			<u>\$ 1,251,600</u>

Exhibit K-4

Hardeman County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2022

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and Chapter 90, Private Acts of 1989	\$ 103,159 (1) \$	400,000	Tennessee Risk Management Trust
Highway Superintendent	Section 8-24-102, <i>TCA</i>	93,259	400,000	"
Director of Schools:	State Board of Education and		400,000	"
Warner Ross (7-1-21 through 9-30-21)	County Board of Education	38,866	400,000	"
Bobby Doyle (10-1-21 through 12-31-21)	State Board of Education and	35,600	400,000	"
Christy Smith (1-1-22 through 6-30-22)	County Board of Education	57,500	400,000	"
Trustee:				
Mary Powell (7-1-21 through 1-30-22)	Section 8-24-102, <i>TCA</i>	49,970 (2)	400,000	"
Sandy Hammons (2-8-22 through 6-30-22)	Section 8-24-102, <i>TCA</i>	33,008	400,001	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	84,781 (2)	400,000	"
County Clerk:				
Jerry Armstrong (7-1-21 through 9-30-21)	Section 8-24-102, <i>TCA</i>	22,153	400,000	"
Polly Morris (10-1-21 through 6-30-22)	Section 8-24-102, <i>TCA</i>	62,628 (2)	400,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	84,781 (2)	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	84,781 (2)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	84,781 (2)	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	94,059 (3)	400,000	"
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	"
Employee Fidelity - School Department			400,000	"

(1) Includes a purchasing agent supplement of \$3,600, a committee member fee of \$1,650, and a bonus of \$2,875.

(2) Includes a bonus of \$2,500.

(3) Includes a law enforcement training supplement of \$800 and a bonus of \$2,750.

Exhibit K-5

Hardeman County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2022

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,862,200	\$ 0	\$ 0	\$ 0	\$ 305,925	\$ 4,168,125
Trustee's Collections - Prior Year	168,907	0	0	0	10,386	179,293
Trustee's Collections - Bankruptcy	1,297	0	0	0	103	1,400
Circuit Clerk/Clerk and Master Collections - Prior Years	69,030	0	0	0	6,119	75,149
Interest and Penalty	22,234	0	0	0	1,675	23,909
Payments in-Lieu-of Taxes - Other	239,232	0	0	0	3,467	242,699
<u>County Local Option Taxes</u>						
Local Option Sales Tax	419,811	0	0	0	0	419,811
Hotel/Motel Tax	42,958	0	0	0	0	42,958
Wheel Tax	0	0	0	809,564	809,982	1,619,546
Litigation Tax - General	82,747	0	0	0	0	82,747
Litigation Tax - Jail, Workhouse, or Courthouse	64,211	0	0	0	0	64,211
Business Tax	267,298	0	0	0	0	267,298
<u>Statutory Local Taxes</u>						
Bank Excise Tax	80,999	0	0	0	0	80,999
Wholesale Beer Tax	74,119	0	0	0	0	74,119
Total Local Taxes	\$ 5,395,043	\$ 0	\$ 0	\$ 809,564	\$ 1,137,657	\$ 7,342,264
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 3,130	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,130
Cable TV Franchise	8,848	0	0	0	0	8,848
<u>Permits</u>						
Beer Permits	808	0	0	0	0	808
Building Permits	5,650	0	0	0	0	5,650

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Other Permits	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500
Total Licenses and Permits	\$ 18,936	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,936
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 55,357	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,357
Officers Costs	13,356	0	0	0	0	13,356
Drug Control Fines	21,839	23,748	0	0	0	45,587
Jail Fees	2,173	0	0	0	0	2,173
DUI Treatment Fines	3,222	0	0	0	0	3,222
Data Entry Fee - Circuit Court	1,380	0	0	0	0	1,380
Courtroom Security Fee	3,863	0	0	0	0	3,863
Victims Assistance Assessments	1,358	0	0	0	0	1,358
<u>Criminal Court</u>						
DUI Treatment Fines	1,695	0	0	0	0	1,695
<u>General Sessions Court</u>						
Fines	26,407	0	0	0	0	26,407
Fines for Littering	261	0	0	0	0	261
Officers Costs	39,058	0	0	0	0	39,058
Game and Fish Fines	177	0	0	0	0	177
Drug Control Fines	22,088	20,526	0	0	0	42,614
Drug Court Fees	8,232	0	0	0	0	8,232
Jail Fees	4,966	0	0	0	0	4,966
DUI Treatment Fines	0	3,652	0	0	0	3,652
Data Entry Fee - General Sessions Court	8,727	0	0	0	0	8,727

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 56,104	\$ 0	\$ 0	\$ 0	\$ 0	56,104
Victims Assistance Assessments	1,605	0	0	0	0	1,605
<u>Juvenile Court</u>						
Fines	24	0	0	0	0	24
Officers Costs	685	0	0	0	0	685
Data Entry Fee - Juvenile Court	572	0	0	0	0	572
<u>Chancery Court</u>						
Officers Costs	2,149	0	0	0	0	2,149
Data Entry Fee - Chancery Court	3,960	0	0	0	0	3,960
Courtroom Security Fee	4,243	0	0	0	0	4,243
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	55,135	0	0	0	55,135
Total Fines, Forfeitures, and Penalties	\$ 283,501	\$ 103,061	\$ 0	\$ 0	\$ 0	386,562
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 1,165,111	\$ 0	\$ 0	\$ 0	\$ 0	1,165,111
Work Release Charges for Board	2,196	0	0	0	0	2,196
<u>Fees</u>						
Airport Fees	27,971	0	0	0	0	27,971
Copy Fees	180	0	0	0	0	180
Greenbelt Late Application Fee	1,000	0	0	0	0	1,000
Telephone Commissions	44,662	0	0	0	0	44,662
Constitutional Officers' Fees and Commissions	0	0	347,197	0	0	347,197
Data Processing Fee - Register	8,214	0	0	0	0	8,214

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
Charges for Current Services (Cont.)						
<u>Fees (Cont.)</u>						
Data Processing Fee - Sheriff	\$ 3,385	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,385
Sexual Offender Registration Fee - Sheriff	4,200	0	0	0	0	4,200
Data Processing Fee - County Clerk	6,905	0	0	0	0	6,905
Vehicle Registration Reinstatement Fees	1,795	0	0	0	0	1,795
Total Charges for Current Services	\$ 1,265,619	\$ 0	\$ 347,197	\$ 0	\$ 0	\$ 1,612,816
Other Local Revenues						
<u>Recurring Items</u>						
Investment Income	\$ 89,646	\$ 0	\$ 0	\$ 0	\$ 0	\$ 89,646
Lease/Rentals	8,697	0	0	0	0	8,697
Commissary Sales	50,713	0	0	0	0	50,713
Sale of Gasoline	58,190	0	0	0	0	58,190
Sale of Maps	167	0	0	0	0	167
Miscellaneous Refunds	11,008	0	0	30,372	0	41,380
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	71,100	0	71,100
Sale of Property	5,690	0	0	0	0	5,690
<u>Other Local Revenues</u>						
Other Local Revenues	7,282	0	0	0	0	7,282
Total Other Local Revenues	\$ 231,393	\$ 0	\$ 0	\$ 101,472	\$ 0	\$ 332,865
Fees Received From County Officials						
<u>Excess Fees</u>						
County Clerk	\$ 115,659	\$ 0	\$ 0	\$ 0	\$ 0	\$ 115,659
Trustee	273,956	0	0	0	0	273,956

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	\$ 76,087	\$ 0	\$ 0	\$ 0	\$ 0	\$ 76,087
General Sessions Court Clerk	207,419	0	0	0	0	207,419
Clerk and Master	104,612	0	0	0	0	104,612
Juvenile Court Clerk	12,984	0	0	0	0	12,984
Register	117,530	0	0	0	0	117,530
Sheriff	10,390	0	0	0	0	10,390
Total Fees Received From County Officials	\$ 918,637	\$ 0	\$ 0	\$ 0	\$ 0	\$ 918,637
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Airport Maintenance Program	22,952	0	0	0	0	22,952
<u>Public Safety Grants</u>						
Other Public Safety Grants	41,559,733	0	0	0	0	41,559,733
<u>Health and Welfare Grants</u>						
Health Department Programs	122,755	0	0	0	0	122,755
<u>Public Works Grants</u>						
Litter Program	18,359	0	0	0	0	18,359
<u>Other State Revenues</u>						
Beer Tax	19,194	0	0	0	0	19,194
Vehicle Certificate of Title Fees	3,000	0	0	0	0	3,000
Alcoholic Beverage Tax	101,872	0	0	0	0	101,872
State Revenue Sharing - T.V.A.	828,317	0	0	0	0	828,317
State Revenue Sharing - Telecommunications	38,869	0	0	0	0	38,869
State Shared Sports Gaming Privilege Tax	15,228	0	0	0	0	15,228

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Contracted Prisoner Boarding	\$ 341,601	\$ 0	\$ 0	\$ 0	\$ 0	\$ 341,601
Gasoline and Motor Fuel Tax	0	0	0	2,860,085	0	2,860,085
Petroleum Special Tax	0	0	0	17,336	0	17,336
Registrar's Salary Supplement	15,164	0	0	0	0	15,164
Other State Grants	655,150	0	0	0	0	655,150
Other State Revenues	30,971	0	0	0	0	30,971
Total State of Tennessee	\$ 43,782,165	\$ 0	\$ 0	\$ 2,877,421	\$ 0	\$ 46,659,586
<u>Federal Government</u>						
<u>Federal Through State</u>						
COVID-19 Grant #1	\$ 37,415	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,415
Other Federal through State	6,742	0	0	0	0	6,742
<u>Direct Federal Revenue</u>						
American Rescue Plan Act Grant #6	1,388,851	0	0	0	0	1,388,851
Total Federal Government	\$ 1,433,008	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,433,008
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 35,300	\$ 0	\$ 0	\$ 0	1,037,140	\$ 1,072,440
Contracted Services	36,193	0	0	0	0	36,193
<u>Other</u>						
Other	6,955	0	0	0	0	6,955
Total Other Governments and Citizens Groups	\$ 78,448	\$ 0	\$ 0	\$ 0	1,037,140	\$ 1,115,588
Total	\$ 53,406,750	\$ 103,061	\$ 347,197	\$ 3,788,457	\$ 2,174,797	\$ 59,820,262

Exhibit K-6

Hardeman County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2022

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,583,008	\$ 0	\$ 0	\$ 0	\$ 5,583,008
Trustee's Collections - Prior Year	200,901	0	0	0	200,901
Trustee's Collections - Bankruptcy	2,370	0	0	0	2,370
Circuit Clerk/Clerk and Master Collections - Prior Years	99,786	0	0	0	99,786
Interest and Penalty	31,303	0	0	0	31,303
Payments in-Lieu-of Taxes - Other	70,929	0	0	0	70,929
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,488,394	0	0	0	3,488,394
Mixed Drink Tax	5,173	0	0	0	5,173
Other County Local Option Taxes	443	0	0	0	443
Total Local Taxes	<u>\$ 9,482,307</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,482,307</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,689	\$ 0	\$ 0	\$ 0	\$ 2,689
Total Licenses and Permits	<u>\$ 2,689</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,689</u>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	\$ 878	\$ 0	\$ 0	\$ 0	\$ 878
<u>Fees</u>					
Vending Machine Collections	5,517	0	0	0	5,517
<u>Education Charges</u>					
Tuition - Summer School	1,700	0	0	0	1,700

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 20,412	\$ 0	\$ 20,412
Income from Breakfast	0	0	1,889	0	1,889
A la Carte Sales	0	0	123,257	0	123,257
Receipts from Individual Schools	59	0	0	0	59
Other Charges for Services	10,009	0	0	0	10,009
Total Charges for Current Services	\$ 18,163	\$ 0	\$ 145,558	\$ 0	\$ 163,721
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ (12,416)	\$ 0	\$ 5,747	\$ 0	\$ (6,669)
Lease/Rentals	18,678	0	0	0	18,678
Retirees' Insurance Payments	43,466	0	0	0	43,466
Miscellaneous Refunds	27,926	0	7,354	0	35,280
Expenditure Credits	2,434	0	0	0	2,434
<u>Nonrecurring Items</u>					
Sale of Equipment	23,400	0	0	0	23,400
<u>Other Local Revenues</u>					
Other Local Revenues	46,442	0	0	706,005	752,447
Total Other Local Revenues	\$ 149,930	\$ 0	\$ 13,101	\$ 706,005	\$ 869,036
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 91,935	\$ 0	\$ 0	\$ 0	\$ 91,935

(Continued)

Exhibit K-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 21,364,900	\$ 0	\$ 0	\$ 0	\$ 21,364,900
Early Childhood Education	1,042,796	0	0	0	1,042,796
School Food Service	0	0	19,649	0	19,649
Driver Education	9,123	0	0	0	9,123
Other State Education Funds	358,146	0	0	0	358,146
Coordinated School Health	100,000	0	0	0	100,000
Career Ladder Program	67,705	0	0	0	67,705
<u>Other State Revenues</u>					
Other State Grants	358,594	0	0	0	358,594
Safe Schools	80,360	0	0	0	80,360
Total State of Tennessee	<u>\$ 23,473,559</u>	<u>\$ 0</u>	<u>\$ 19,649</u>	<u>\$ 0</u>	<u>\$ 23,493,208</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,785,351	\$ 0	\$ 1,785,351
USDA - Commodities	0	0	227,234	0	227,234
Breakfast	0	0	657,898	0	657,898
USDA - Other	0	0	289,124	0	289,124
Vocational Education - Basic Grants to States	0	59,723	0	0	59,723
Title I Grants to Local Education Agencies	0	1,191,127	0	0	1,191,127
Special Education - Grants to States	21,040	722,509	0	0	743,549
Special Education Preschool Grants	0	46,588	0	0	46,588
Rural Education	0	81,555	0	0	81,555
21st Century Community Learning Centers	0	255,120	0	0	255,120

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Eisenhower Professional Development State Grants	\$ 0	\$ 175,388	\$ 0	\$ 0	\$ 175,388
COVID-19 Grant #1	0	141,493	0	0	141,493
COVID-19 Grant B	0	1,693,149	0	0	1,693,149
COVID-19 Grant D	0	94,007	0	0	94,007
COVID-19 Grant E	0	331,623	0	0	331,623
American Rescue Plan Act Grant #1	0	1,498,238	0	0	1,498,238
American Rescue Plan Act Grant #2	0	57,479	0	0	57,479
Other Federal through State	124,504	1,050,353	0	0	1,174,857
Total Federal Government	<u>\$ 145,544</u>	<u>\$ 7,398,352</u>	<u>\$ 2,959,607</u>	<u>\$ 0</u>	<u>\$ 10,503,503</u>
Total	<u>\$ 33,272,192</u>	<u>\$ 7,398,352</u>	<u>\$ 3,137,915</u>	<u>\$ 706,005</u>	<u>\$ 44,514,464</u>

Exhibit K-7

Hardeman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	26,100	
Social Security		1,618	
Employer Medicare		378	
Travel		2,066	
Other Charges		10,772	
Total County Commission			\$ 40,934

Board of Equalization

Board and Committee Members Fees	\$	1,100	
Total Board of Equalization			1,100

Budget and Finance Committee

Board and Committee Members Fees	\$	2,050	
Social Security		81	
Employer Medicare		19	
Total Budget and Finance Committee			2,150

Other Boards and Committees

Board and Committee Members Fees	\$	6,100	
Social Security		112	
Employer Medicare		26	
Total Other Boards and Committees			6,238

County Mayor/Executive

County Official/Administrative Officer	\$	95,034	
Secretary(ies)		77,506	
Educational Incentive - Other County Employees		1,600	
Social Security		10,784	
Pensions		17,529	
Employee and Dependent Insurance		29,117	
Unemployment Compensation		67	
Employer Medicare		2,522	
Communication		6,074	
Maintenance and Repair Services - Office Equipment		802	
Postal Charges		1,523	
Travel		4,129	
Office Supplies		5,160	
Other Supplies and Materials		840	
Other Charges		1,136	
Office Equipment		1,129	
Total County Mayor/Executive			254,952

County Attorney

County Official/Administrative Officer	\$	11,077	
Social Security		687	
Pensions		1,139	
Employee and Dependent Insurance		4,629	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Unemployment Compensation	\$	6	
Employer Medicare		161	
Legal Services		221,702	
Total County Attorney	\$		239,401

Election Commission

County Official/Administrative Officer	\$	74,053	
Clerical Personnel		27,076	
Other Salaries and Wages		2,364	
Board and Committee Members Fees		4,400	
Election Workers		20,302	
Social Security		6,387	
Pensions		9,052	
Employee and Dependent Insurance		7,812	
Unemployment Compensation		61	
Employer Medicare		1,494	
Communication		1,888	
Legal Notices, Recording, and Court Costs		2,468	
Postal Charges		8,752	
Printing, Stationery, and Forms		7,283	
Rentals		15,856	
Other Contracted Services		19,944	
Custodial Supplies		169	
Office Supplies		4,088	
Utilities		3,513	
Total Election Commission			216,962

Register of Deeds

County Official/Administrative Officer	\$	82,281	
Deputy(ies)		34,643	
Part-time Personnel		11,952	
Educational Incentive - Other County Employees		1,700	
Social Security		8,033	
Pensions		12,020	
Employee and Dependent Insurance		14,565	
Unemployment Compensation		57	
Employer Medicare		1,879	
Communication		2,605	
Data Processing Services		8,076	
Dues and Memberships		125	
Maintenance Agreements		749	
Postal Charges		60	
Travel		2,516	
Office Supplies		2,554	
Total Register of Deeds			183,815

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Development

County Official/Administrative Officer	\$	38,172	
Other Salaries and Wages		5,817	
Social Security		2,721	
Pensions		4,522	
Employee and Dependent Insurance		7,388	
Unemployment Compensation		38	
Employer Medicare		636	
Communication		1,890	
Contracts with Government Agencies		13,626	
Rentals		748	
Office Supplies		534	
Other Charges		40	
Office Equipment		649	
Total Development			\$ 76,781

County Buildings

Supervisor/Director	\$	37,683	
Custodial Personnel		27,164	
Social Security		3,984	
Pensions		5,404	
Employee and Dependent Insurance		15,122	
Unemployment Compensation		69	
Employer Medicare		932	
Communication		2,236	
Maintenance and Repair Services - Buildings		15,092	
Maintenance and Repair Services - Equipment		5,812	
Maintenance and Repair Services - Vehicles		1,003	
Other Contracted Services		4,813	
Custodial Supplies		3,055	
Gasoline		4,052	
Office Supplies		15	
Uniforms		1,532	
Utilities		43,942	
Other Supplies and Materials		440	
Other Charges		930	
Building Improvements		98,321	
Total County Buildings			271,601

Other Facilities

Supervisor/Director	\$	21,631	
Social Security		1,341	
Pensions		2,224	
Employee and Dependent Insurance		7,407	
Unemployment Compensation		21	
Employer Medicare		314	
Communication		529	
Garage Supplies		318	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Gasoline	\$	2,693	
Lubricants		122	
Uniforms		641	
Vehicle Parts		192	
Other Supplies and Materials		349	
Total Other Facilities			\$ 37,782

Other General Administration

Land	\$	2,627	
Total Other General Administration			2,627

Preservation of Records

Communication	\$	1,394	
Maintenance and Repair Services - Buildings		18	
Office Supplies		875	
Utilities		4,424	
Total Preservation of Records			6,711

Finance

Accounting and Budgeting

Accountants/Bookkeepers	\$	19,001	
Social Security		1,178	
Unemployment Compensation		21	
Employer Medicare		276	
Total Accounting and Budgeting			20,476

Purchasing

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

Property Assessor's Office

County Official/Administrative Officer	\$	82,281	
Educational Incentive - Other County Employees		3,400	
Social Security		4,877	
Pensions		8,459	
Employee and Dependent Insurance		7,407	
Employer Medicare		1,141	
Communication		2,635	
Data Processing Services		15,040	
Dues and Memberships		1,715	
Postal Charges		903	
Travel		1,583	
Other Contracted Services		7,948	
Office Supplies		759	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Supplies and Materials	\$	555	
Other Charges		55	
Office Equipment		933	
Total Property Assessor's Office			\$ 139,691

Reappraisal Program

Deputy(ies)	\$	114,278	
Part-time Personnel		1,293	
Other Salaries and Wages		1,581	
Social Security		7,190	
Pensions		10,497	
Employee and Dependent Insurance		29,007	
Unemployment Compensation		108	
Employer Medicare		1,682	
Advertising		120	
Data Processing Services		3,922	
Maintenance and Repair Services - Vehicles		708	
Postal Charges		1,060	
Gasoline		1,908	
Other Supplies and Materials		703	
Total Reappraisal Program			174,057

County Trustee's Office

Educational Incentive - Other County Employees	\$	1,325	
Social Security		8,778	
Pensions		10,641	
Employee and Dependent Insurance		11,712	
Unemployment Compensation		82	
Employer Medicare		2,053	
Communication		2,485	
Postal Charges		6,898	
Other Contracted Services		4,065	
Office Supplies		3,321	
Total County Trustee's Office			51,360

County Clerk's Office

Educational Incentive - Other County Employees	\$	5,175	
Social Security		12,415	
Pensions		15,942	
Employee and Dependent Insurance		30,155	
Unemployment Compensation		147	
Employer Medicare		2,904	
Communication		3,269	
Maintenance and Repair Services - Office Equipment		8,734	
Postal Charges		8,370	
Office Supplies		2,636	
Other Supplies and Materials		1,222	
Office Equipment		1,650	
Total County Clerk's Office			92,619

(Continued)

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,281	
Deputy(ies)		55,563	
Clerical Personnel		125,701	
Part-time Personnel		9,681	
Educational Incentive - Other County Employees		1,600	
Jury and Witness Expense		5,003	
Social Security		16,726	
Pensions		24,766	
Employee and Dependent Insurance		53,768	
Unemployment Compensation		180	
Employer Medicare		3,912	
Communication		571	
Maintenance and Repair Services - Office Equipment		300	
Postal Charges		3,902	
Office Supplies		4,441	
Office Equipment		4,086	
Total Circuit Court	\$		392,481

General Sessions Court

Judge(s)	\$	118,972	
Social Security		7,311	
Pensions		12,230	
Employee and Dependent Insurance		7,406	
Employer Medicare		1,710	
Dues and Memberships		150	
Travel		625	
Total General Sessions Court			148,404

Chancery Court

County Official/Administrative Officer	\$	82,281	
Deputy(ies)		89,134	
Educational Incentive - Other County Employees		4,900	
Social Security		10,890	
Pensions		17,621	
Employee and Dependent Insurance		29,606	
Unemployment Compensation		84	
Employer Medicare		2,547	
Communication		1,992	
Dues and Memberships		185	
Legal Notices, Recording, and Court Costs		2,500	
Postal Charges		5,223	
Travel		529	
Office Supplies		3,743	
Data Processing Equipment		1,226	
Office Equipment		1,307	
Total Chancery Court			253,768

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Other Salaries and Wages	\$	41,032	
Social Security		2,541	
Pensions		4,218	
Employee and Dependent Insurance		7,388	
Unemployment Compensation		21	
Employer Medicare		594	
Communication		507	
Contracts with Government Agencies		280	
Travel		1,267	
Drug Treatment		571	
Office Supplies		113	
Total Juvenile Court			\$ 58,532

Courtroom Security

Deputy(ies)	\$	72,677	
Overtime Pay		54	
Social Security		4,055	
Pensions		7,477	
Employee and Dependent Insurance		14,259	
Unemployment Compensation		42	
Employer Medicare		948	
Total Courtroom Security			99,512

Victim Assistance Programs

Other Per Diem and Fees	\$	2,145	
Total Victim Assistance Programs			2,145

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	90,509	
Assistant(s)		54,537	
Deputy(ies)		696,609	
Investigator(s)		166,550	
Salary Supplements		19,200	
Secretary(ies)		80,126	
Part-time Personnel		2,132	
Overtime Pay		75,399	
In-service Training		10,424	
Social Security		72,854	
Pensions		99,836	
Employee and Dependent Insurance		176,806	
Unemployment Compensation		746	
Employer Medicare		17,039	
Communication		35,636	
Dues and Memberships		2,000	
Maintenance and Repair Services - Vehicles		46,662	
Postal Charges		2,107	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Towing Services	\$	1,454	
Travel		5,651	
Other Contracted Services		4,584	
Gasoline		172,191	
Office Supplies		2,744	
Uniforms		5,411	
Other Charges		6,395	
Communication Equipment		2,875	
Law Enforcement Equipment		2,478	
Office Equipment		2,774	
Total Sheriff's Department	\$		1,855,729

Special Patrols

Deputy(ies)	\$	180,880	
Social Security		11,079	
Pensions		18,594	
Employee and Dependent Insurance		34,876	
Unemployment Compensation		104	
Employer Medicare		2,591	
Total Special Patrols			248,124

Workhouse

Medical Personnel	\$	73,277	
Guards		620,810	
Maintenance Personnel		24,006	
Overtime Pay		14,737	
Social Security		45,182	
Pensions		55,080	
Employee and Dependent Insurance		138,825	
Unemployment Compensation		707	
Employer Medicare		10,567	
Communication		2,082	
Maintenance and Repair Services - Buildings		7,834	
Maintenance and Repair Services - Equipment		14,062	
Medical and Dental Services		12,760	
Other Contracted Services		8,635	
Custodial Supplies		21,522	
Drugs and Medical Supplies		13,523	
Electricity		237,432	
Food Supplies		179,875	
Other Supplies and Materials		2,639	
In Service/Staff Development		632	
Other Charges		2,411	
Building Improvements		23,839	
Communication Equipment		3,517	
Office Equipment		2,774	
Total Workhouse			1,516,728

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

Supervisor/Director	\$	35,673	
Social Security		2,195	
Pensions		3,667	
Employee and Dependent Insurance		7,406	
Unemployment Compensation		21	
Employer Medicare		513	
Maintenance and Repair Services - Office Equipment		706	
Postal Charges		118	
Total Juvenile Services			\$ 50,299

Fire Prevention and Control

Contracts with Government Agencies	\$	58,143	
Total Fire Prevention and Control			58,143

Rural Fire Protection

Maintenance and Repair Services - Vehicles	\$	850	
Gasoline		267	
Total Rural Fire Protection			1,117

Civil Defense

Supervisor/Director	\$	5,800	
Part-time Personnel		1,800	
Social Security		471	
Unemployment Compensation		23	
Employer Medicare		110	
Communication		4,406	
Maintenance and Repair Services - Vehicles		178	
Gasoline		295	
Office Supplies		150	
Total Civil Defense			13,233

Other Emergency Management

Supervisor/Director	\$	7,307	
Dispatchers/Radio Operators		45,448	
Part-time Personnel		120	
Overtime Pay		1,870	
Social Security		3,367	
Pensions		5,085	
Employee and Dependent Insurance		13,230	
Employer Medicare		788	
Contracts with Government Agencies		127,624	
Office Equipment		55	
Total Other Emergency Management			204,894

County Coroner/Medical Examiner

Other Contracted Services	\$	31,200	
Total County Coroner/Medical Examiner			31,200

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Contracts with Government Agencies	\$ 41,523,733	
Total Other Public Safety		\$ 41,523,733

Public Health and Welfare

Local Health Center

Communication	\$ 3,584	
Janitorial Services	14,400	
Maintenance and Repair Services - Buildings	6,311	
Postal Charges	210	
Custodial Supplies	78	
Drugs and Medical Supplies	1,369	
Office Supplies	33	
Utilities	13,059	
Other Supplies and Materials	2,915	
Building Improvements	439,119	
Total Local Health Center		481,078

Rabies and Animal Control

County Official/Administrative Officer	\$ 8,477	
Part-time Personnel	12,834	
Social Security	1,321	
Unemployment Compensation	60	
Employer Medicare	309	
Communication	1,905	
Maintenance and Repair Services - Buildings	437	
Maintenance and Repair Services - Vehicles	1,166	
Animal Food and Supplies	1,414	
Drugs and Medical Supplies	449	
Gasoline	3,300	
Utilities	2,985	
Other Supplies and Materials	116	
Other Charges	1,508	
Total Rabies and Animal Control		36,281

Ambulance/Emergency Medical Services

Assistant(s)	\$ 8,732
Supervisor/Director	19,003
Clerical Personnel	30,677
Attendants	647,774
Part-time Personnel	61,967
Educational Incentive - Other County Employees	6,804
Overtime Pay	354,754
Social Security	69,295
Pensions	96,299
Employee and Dependent Insurance	109,556
Unemployment Compensation	586
Employer Medicare	16,206

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Communication	\$	6,504	
Contracts with Private Agencies		103,353	
Maintenance and Repair Services - Buildings		3,073	
Maintenance and Repair Services - Equipment		30	
Maintenance and Repair Services - Vehicles		19,958	
Postal Charges		167	
Custodial Supplies		4,629	
Drugs and Medical Supplies		102,872	
Gasoline		55,979	
Office Supplies		1,416	
Tires and Tubes		3,988	
Uniforms		1,673	
Utilities		15,423	
Refunds		1,681	
In Service/Staff Development		6,544	
Other Charges		1,734	
Other Capital Outlay		2,542	
Total Ambulance/Emergency Medical Services	\$		1,753,219

Dental Health Program

Medical Personnel	\$	51,049	
Clerical Personnel		29,443	
Social Security		4,974	
Pensions		3,027	
Employee and Dependent Insurance		7,407	
Unemployment Compensation		42	
Employer Medicare		1,163	
Travel		466	
Liability Insurance		549	
Total Dental Health Program			98,120

Sanitation Education/Information

Laborers	\$	1,600	
Social Security		99	
Employee and Dependent Insurance		509	
Unemployment Compensation		2	
Employer Medicare		23	
Instructional Supplies and Materials		8,490	
Other Supplies and Materials		517	
Other Charges		13,059	
Total Sanitation Education/Information			24,299

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	9,000	
Other Contracted Services		89,397	
Total Libraries			98,397

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	53,084	
Social Security		3,434	
Pensions		9,357	
Employee and Dependent Insurance		1,590	
Employer Medicare		573	
Communication		5,832	
Dues and Memberships		320	
Travel		1,088	
Utilities		6,664	
Other Supplies and Materials		444	
Total Agricultural Extension Service			\$ 82,386

Forest Service

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

Soil Conservation

Secretary(ies)	\$	27,298	
Social Security		1,692	
Pensions		2,806	
Employee and Dependent Insurance		7,407	
Unemployment Compensation		21	
Employer Medicare		396	
Other Contracted Services		6,160	
Total Soil Conservation			45,780

Other Operations

Industrial Development

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

Airport

Supervisor/Director	\$	24,034	
Part-time Personnel		7,350	
Social Security		1,942	
Pensions		2,471	
Employee and Dependent Insurance		7,407	
Unemployment Compensation		38	
Employer Medicare		454	
Communication		3,992	
Maintenance and Repair Services - Buildings		1,909	
Maintenance and Repair Services - Equipment		5,936	
Maintenance and Repair Services - Vehicles		90	
Custodial Supplies		363	
Gasoline		59,604	
Office Supplies		10	
Utilities		12,852	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Other Charges	\$	20	
Airport Improvement		<u>18,863</u>	
Total Airport			\$ 147,335

Veterans' Services

Secretary(ies)	\$	9,560	
Social Security		593	
Unemployment Compensation		21	
Employer Medicare		139	
Communication		2,276	
Office Equipment		<u>449</u>	
Total Veterans' Services			13,038

Contributions to Other Agencies

Dues and Memberships	\$	<u>20,717</u>	
Total Contributions to Other Agencies			20,717

Employee Benefits

Employee and Dependent Insurance	\$	47,739	
Disability Insurance		<u>111,974</u>	
Total Employee Benefits			159,713

COVID-19 Grant #6

Office Equipment	\$	<u>37,323</u>	
Total COVID-19 Grant #6			37,323

American Rescue Plan Act Grant #6

Bonus Payments	\$	231,425	
Social Security		14,348	
Unemployment Compensation		12	
Employer Medicare		3,356	
Other Supplies and Materials		700	
Other Charges		414,495	
Heating and Air Conditioning Equipment		734,000	
Other Capital Outlay		<u>54,291</u>	
Total American Rescue Plan Act Grant #6			1,452,627

Miscellaneous

Audit Services	\$	5,220	
Contributions		30,000	
Data Processing Services		56,150	
Dues and Memberships		7,462	
Legal Notices, Recording, and Court Costs		2,769	
Other Supplies and Materials		15,337	
Liability Insurance		197,863	
Premiums on Corporate Surety Bonds		1,215	
Refunds		50	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Trustee's Commission	\$ 121,686	
Other Charges	<u>3,252</u>	
Total Miscellaneous		\$ 441,004

Principal on Debt

General Government

Principal on Notes	\$ 430,082	
Total General Government		<u>430,082</u>

Total General Fund \$ 53,644,943

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$ 225	
Maintenance and Repair Services - Vehicles	601	
Towing Services	250	
Travel	1,423	
Instructional Supplies and Materials	2,193	
Trustee's Commission	1,001	
Other Charges	2,908	
Law Enforcement Equipment	4,622	
Motor Vehicles	8,500	
Other Equipment	<u>77</u>	
Total Drug Enforcement		\$ 21,800

Total Drug Control Fund 21,800

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 141,329	
Total County Trustee's Office		\$ 141,329

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 201,908	
Total County Clerk's Office		<u>201,908</u>

Total Constitutional Officers - Fees Fund 343,237

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 93,259	
Secretary(ies)	44,235	
Educational Incentive - Other County Employees	400	
Board and Committee Members Fees	5,400	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Communication	\$	9,586	
Data Processing Services		15,024	
Dues and Memberships		5,146	
Lease Payments		1,424	
Legal Services		3,427	
Legal Notices, Recording, and Court Costs		156	
Maintenance and Repair Services - Office Equipment		497	
Postal Charges		1,160	
Travel		2,027	
Other Contracted Services		2,467	
Electricity		23,481	
Office Supplies		3,957	
Other Supplies and Materials		104	
Data Processing Equipment		120	
Total Administration			\$ 211,870

Highway and Bridge Maintenance

Foremen	\$	399,102	
Laborers		620,554	
Part-time Personnel		21,144	
Overtime Pay		14,761	
Other Contracted Services		3,325	
Asphalt - Liquid		44,977	
Crushed Stone		64,341	
General Construction Materials		5,000	
Pipe		84,032	
Road Signs		24,362	
Wood Products		4,986	
Chemicals		18,418	
Other Supplies and Materials		906	
Total Highway and Bridge Maintenance			1,305,908

Operation and Maintenance of Equipment

Equipment and Machinery Parts	\$	228,112	
Garage Supplies		586	
Gasoline		217,812	
Lubricants		15,855	
Tires and Tubes		40,320	
Uniforms		10,126	
Other Supplies and Materials		753	
Total Operation and Maintenance of Equipment			513,564

Asphalt Plant Operations

Foremen	\$	22,910	
Other Contracted Services		465	
Asphalt - Hot Mix		19,255	
Equipment and Machinery Parts		4,566	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Asphalt Plant Operations (Cont.)

Utilities	\$	31,113	
Other Supplies and Materials		150	
State Aid Projects		107	
Total Asphalt Plant Operations			\$ 78,566

Other Charges

Liability Insurance	\$	63,333	
Trustee's Commission		36,909	
Vehicle and Equipment Insurance		305	
Liability Claims		9,789	
Total Other Charges			110,336

Employee Benefits

Social Security	\$	75,069	
Pensions		109,486	
Employee and Dependent Insurance		227,030	
Disability Insurance		55,664	
Unemployment Compensation		5,588	
Employer Medicare		17,556	
Total Employee Benefits			490,393

Capital Outlay

Bridge Construction	\$	13,540	
Building Improvements		175,911	
Communication Equipment		1,737	
Highway Construction		12,919	
Highway Equipment		415,535	
Total Capital Outlay			619,642

Total Highway/Public Works Fund \$ 3,330,279

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	425,000	
Principal on Notes		66,154	
Total General Government			\$ 491,154

Education

Principal on Bonds	\$	965,000	
Total Education			965,000

Interest on Debt

General Government

Interest on Bonds	\$	470,268	
Interest on Notes		12,272	
Total General Government			482,540

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Bonds	\$ 70,812	
Total Education		\$ 70,812

Other Debt Service

General Government

Trustee's Commission	\$ 14,591	
Other Debt Service	<u>1,000</u>	
Total General Government		15,591

Education

Other Charges	\$ 1,328	
Total Education		<u>1,328</u>

Total General Debt Service Fund \$ 2,026,425

Total Governmental Funds - Primary Government \$ 59,366,684

Exhibit K-8

Hardeman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,066,434	
Career Ladder Program	60,453	
Homebound Teachers	2,247	
Educational Assistants	216,894	
Other Salaries and Wages	11,893	
Certified Substitute Teachers	72,860	
Non-certified Substitute Teachers	75,780	
Social Security	594,286	
Pensions	949,032	
Medical Insurance	1,232,201	
Dental Insurance	30,750	
Employer Medicare	141,682	
Other Fringe Benefits	5,770	
Other Contracted Services	41,493	
Instructional Supplies and Materials	121,635	
Textbooks - Bound	20,258	
Software	140,380	
Other Charges	10,128	
Data Processing Equipment	28,758	
Total Regular Instruction Program		\$ 13,822,934

Alternative Instruction Program

Teachers	\$ 48,016	
Social Security	2,700	
Pensions	4,946	
Medical Insurance	6,755	
Employer Medicare	631	
Total Alternative Instruction Program		63,048

Special Education Program

Teachers	\$ 1,455,875	
Homebound Teachers	1,642	
Educational Assistants	96,555	
Speech Pathologist	206,322	
Other Salaries and Wages	22,160	
Certified Substitute Teachers	12,937	
Non-certified Substitute Teachers	3,367	
Social Security	103,259	
Pensions	163,291	
Medical Insurance	195,904	
Employer Medicare	24,458	
Contracts with Private Agencies	12,000	
Evaluation and Testing	500	
Instructional Supplies and Materials	925	
Other Supplies and Materials	755	
Other Charges	540	
Total Special Education Program		2,300,490

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	716,835	
Educational Assistants		3,849	
Certified Substitute Teachers		12,452	
Non-certified Substitute Teachers		2,695	
Social Security		42,177	
Pensions		62,746	
Medical Insurance		96,420	
Employer Medicare		9,866	
Contracts with Government Agencies		99,721	
Maintenance and Repair Services - Equipment		2,162	
Other Contracted Services		4,436	
Instructional Supplies and Materials		10,362	
Other Supplies and Materials		410	
Total Career and Technical Education Program			\$ 1,064,131

Support Services

Attendance

Supervisor/Director	\$	77,147	
Clerical Personnel		44,054	
Other Salaries and Wages		9,696	
Social Security		8,001	
Pensions		13,145	
Medical Insurance		5,590	
Employer Medicare		1,981	
Contracts with Private Agencies		21,276	
Travel		958	
Office Supplies		1,220	
In Service/Staff Development		619	
Total Attendance			183,687

Health Services

Supervisor/Director	\$	41,583	
Other Salaries and Wages		18,389	
Social Security		3,257	
Pensions		5,728	
Medical Insurance		13,985	
Employer Medicare		762	
Travel		1,831	
Other Contracted Services		2,000	
Other Supplies and Materials		11,882	
In Service/Staff Development		890	
Other Equipment		12,271	
Total Health Services			112,578

Other Student Support

Guidance Personnel	\$	603,652	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Workers	\$	160,108	
Social Security		42,513	
Pensions		74,438	
Medical Insurance		78,290	
Employer Medicare		10,425	
Contracts with Government Agencies		194,256	
Evaluation and Testing		16,983	
Other Supplies and Materials		409	
Total Other Student Support			\$ 1,181,074

Regular Instruction Program

Supervisor/Director	\$	80,217	
Librarians		436,852	
Educational Assistants		35,084	
Other Salaries and Wages		211,899	
Social Security		43,755	
Pensions		76,519	
Medical Insurance		101,715	
Employer Medicare		10,233	
Contracts with Government Agencies		80,000	
Contracts with Private Agencies		8,000	
Travel		11,928	
Other Contracted Services		8,688	
Library Books/Media		28,302	
Other Supplies and Materials		249	
In Service/Staff Development		9,454	
Other Charges		2,239	
Other Equipment		967	
Total Regular Instruction Program			1,146,101

Special Education Program

Supervisor/Director	\$	248,081	
Psychological Personnel		114,267	
Assessment Personnel		22,096	
Social Security		18,096	
Pensions		30,153	
Medical Insurance		34,355	
Employer Medicare		5,276	
Contracts with Private Agencies		87,832	
Maintenance and Repair Services - Equipment		830	
Travel		3,868	
Other Contracted Services		35,500	
Other Supplies and Materials		1,358	
In Service/Staff Development		1,952	
Other Charges		1,314	
Total Special Education Program			604,978

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Supervisor/Director	\$	38,900	
Social Security		2,204	
Pensions		4,007	
Medical Insurance		5,536	
Employer Medicare		515	
Travel		530	
Total Career and Technical Education Program			\$ 51,692

Technology

Supervisor/Director	\$	55,461	
Computer Programmer(s)		136,443	
Social Security		11,160	
Pensions		16,438	
Medical Insurance		29,943	
Employer Medicare		2,610	
Maintenance and Repair Services - Equipment		70,788	
Internet Connectivity		79,593	
Travel		4,599	
Other Contracted Services		74,550	
Other Supplies and Materials		9,021	
In Service/Staff Development		5,131	
Data Processing Equipment		14,202	
Total Technology			509,939

Other Programs

On-behalf Payments to OPEB	\$	91,935	
Total Other Programs			91,935

Board of Education

Board and Committee Members Fees	\$	19,900	
Social Security		1,122	
Medical Insurance		19,472	
Unemployment Compensation		1,072	
Employer Medicare		289	
Audit Services		27,238	
Dues and Memberships		5,509	
Legal Services		5,786	
Travel		16,057	
Other Contracted Services		500	
Liability Insurance		49,076	
Premiums on Corporate Surety Bonds		2,781	
Trustee's Commission		214,030	
Workers' Compensation Insurance		102,604	
In Service/Staff Development		5,050	
Other Charges		2,275	
Total Board of Education			472,761

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	131,966	
Clerical Personnel		61,184	
Social Security		8,969	
Pensions		15,274	
Life Insurance		10,005	
Medical Insurance		19,364	
Employer Medicare		2,614	
Communication		62,815	
Dues and Memberships		16,797	
Postal Charges		3,835	
Travel		2,193	
Other Contracted Services		46,669	
Office Supplies		3,411	
Other Supplies and Materials		611	
In Service/Staff Development		3,495	
Other Charges		52,656	
Total Director of Schools			\$ 441,858

Office of the Principal

Principals	\$	729,595	
Assistant Principals		409,787	
Secretary(ies)		314,709	
Social Security		84,222	
Pensions		145,871	
Medical Insurance		166,749	
Employer Medicare		19,697	
Other Charges		5,939	
Total Office of the Principal			1,876,569

Fiscal Services

Supervisor/Director	\$	74,423	
Accountants/Bookkeepers		38,261	
Social Security		6,494	
Pensions		11,497	
Medical Insurance		13,705	
Employer Medicare		1,519	
Data Processing Services		17,310	
Dues and Memberships		960	
Travel		1,984	
Data Processing Supplies		2,298	
Office Supplies		2,226	
In Service/Staff Development		266	
Administration Equipment		1,500	
Total Fiscal Services			172,443

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel

Supervisor/Director	\$	60,059	
Social Security		3,520	
Pensions		6,174	
Medical Insurance		5,568	
Employer Medicare		823	
Dues and Memberships		150	
Licenses		18,851	
Travel		2,370	
Office Supplies		492	
In Service/Staff Development		260	
Total Human Services/Personnel			\$ 98,267

Operation of Plant

Janitorial Services	\$	803,158	
Disposal Fees		32,160	
Electricity		689,558	
Natural Gas		140,381	
Water and Sewer		68,770	
Boiler Insurance		4,941	
Building and Contents Insurance		166,895	
Total Operation of Plant			1,905,863

Maintenance of Plant

Supervisor/Director	\$	62,870	
Custodial Personnel		16,742	
Maintenance Personnel		223,969	
Social Security		17,557	
Pensions		29,678	
Medical Insurance		39,896	
Employer Medicare		4,168	
Laundry Service		4,976	
Maintenance and Repair Services - Buildings		272,780	
Maintenance and Repair Services - Equipment		100,330	
Travel		4,095	
Other Contracted Services		45,000	
General Construction Materials		38,023	
Tires and Tubes		49	
Other Supplies and Materials		847	
Other Charges		1,413	
Maintenance Equipment		18,084	
Total Maintenance of Plant			880,477

Transportation

Supervisor/Director	\$	50,505
Mechanic(s)		203,050
Bus Drivers		558,391

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Clerical Personnel	\$	31,688	
In-service Training		9,228	
Social Security		39,022	
Pensions		74,335	
Medical Insurance		26,448	
Employer Medicare		12,154	
Contracts with Parents		2,498	
Laundry Service		3,112	
Maintenance and Repair Services - Vehicles		26,721	
Medical and Dental Services		4,514	
Travel		3,342	
Diesel Fuel		247,475	
Garage Supplies		14,403	
Gasoline		55,168	
Lubricants		6,212	
Tires and Tubes		28,998	
Vehicle Parts		83,255	
Other Supplies and Materials		4,742	
Vehicle and Equipment Insurance		41,724	
In Service/Staff Development		460	
Other Charges		15,221	
Transportation Equipment		274	
Total Transportation	\$		1,542,940

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	100,509	
Teachers		493,308	
Educational Assistants		159,212	
Certified Substitute Teachers		3,075	
Non-certified Substitute Teachers		4,022	
Social Security		44,426	
Pensions		74,154	
Medical Insurance		67,043	
Employer Medicare		10,422	
Travel		3,052	
Instructional Supplies and Materials		26,093	
Other Supplies and Materials		23,217	
In Service/Staff Development		798	
Other Charges		20,244	
Other Equipment		11,866	
Total Early Childhood Education			1,041,441

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	189,384	
Total Regular Capital Outlay			189,384

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 1,037,140	
Total Education		\$ 1,037,140

Total General Purpose School Fund \$ 30,791,730

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 154,701	
Educational Assistants	104,959	
Part-time Personnel	4,268	
Bonus Payments	187,185	
Other Salaries and Wages	246,658	
Non-certified Substitute Teachers	55	
Social Security	37,280	
Pensions	58,721	
Medical Insurance	42,380	
Employer Medicare	9,744	
Retirement - Hybrid Stabilization	1,574	
Other Contracted Services	116,052	
Instructional Supplies and Materials	452,370	
Software	54,686	
Other Supplies and Materials	107,678	
Refunds	4,517	
In Service/Staff Development	814	
Regular Instruction Equipment	387,986	
Total Regular Instruction Program		\$ 1,971,628

Alternative Instruction Program

Bonus Payments	\$ 1,000	
Social Security	62	
Pensions	103	
Employer Medicare	14	
Total Alternative Instruction Program		1,179

Special Education Program

Supervisor/Director	\$ 51,989	
Teachers	33,241	
Educational Assistants	438,197	
Speech Pathologist	1,855	
Bonus Payments	53,734	
Other Salaries and Wages	40,200	
Social Security	35,293	
Pensions	52,963	
Medical Insurance	90,489	
Employer Medicare	8,292	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Contracts with Private Agencies	\$	3,862	
Instructional Supplies and Materials		55,676	
Other Supplies and Materials		21,543	
Other Charges		4,066	
Special Education Equipment		23,340	
Total Special Education Program			\$ 914,740

Career and Technical Education Program

Clerical Personnel	\$	60,124	
Educational Assistants		6,236	
Bonus Payments		14,000	
Other Salaries and Wages		60,836	
Social Security		7,699	
Pensions		14,366	
Medical Insurance		25,643	
Employer Medicare		1,801	
Instructional Supplies and Materials		20,369	
Vocational Instruction Equipment		16,024	
Total Career and Technical Education Program			227,098

Support Services

Attendance

Bonus Payments	\$	2,842	
Social Security		176	
Pensions		292	
Employer Medicare		41	
Total Attendance			3,351

Health Services

Supervisor/Director	\$	74,527	
Medical Personnel		324,557	
Bonus Payments		8,579	
Social Security		22,745	
Pensions		34,968	
Medical Insurance		64,309	
Employer Medicare		5,319	
Travel		1,975	
Drugs and Medical Supplies		140,368	
Other Supplies and Materials		1,491	
Health Equipment		14,362	
Other Equipment		40,131	
Total Health Services			733,331

Other Student Support

Bonus Payments	\$	14,553	
Other Salaries and Wages		18,000	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	1,987	
Pensions		3,297	
Employer Medicare		472	
Travel		13,086	
Other Contracted Services		162,580	
Software		7,400	
Other Supplies and Materials		21,614	
In Service/Staff Development		1,934	
Total Other Student Support	\$		244,923

Regular Instruction Program

Supervisor/Director	\$	94,624	
Clerical Personnel		30,282	
Bonus Payments		19,100	
Other Salaries and Wages		288,335	
Social Security		25,793	
Pensions		44,482	
Medical Insurance		27,857	
Employer Medicare		6,032	
Other Contracted Services		41,227	
Other Supplies and Materials		8,936	
In Service/Staff Development		29,256	
Other Charges		5,989	
Other Equipment		2,970	
Total Regular Instruction Program			624,883

Special Education Program

Bonus Payments	\$	6,650	
Other Salaries and Wages		109,210	
Social Security		4,783	
Pensions		6,711	
Medical Insurance		2,530	
Employer Medicare		1,641	
Contracts with Private Agencies		1,120	
Travel		8,337	
Other Supplies and Materials		5,810	
In Service/Staff Development		10,750	
Other Charges		3,573	
Other Equipment		41,048	
Total Special Education Program			202,163

Career and Technical Education Program

Bonus Payments	\$	500	
Social Security		31	
Pensions		52	
Employer Medicare		7	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Travel	\$	2,041	
In Service/Staff Development		947	
Total Career and Technical Education Program			\$ 3,578

Technology

Bonus Payments	\$	4,316	
Social Security		206	
Pensions		308	
Employer Medicare		48	
Contributions		250,000	
Total Technology			254,878

Director of Schools

Bonus Payments	\$	2,000	
Social Security		186	
Pensions		309	
Employer Medicare		44	
Total Director of Schools			2,539

Office of the Principal

Bonus Payments	\$	30,105	
Social Security		1,867	
Pensions		3,033	
Employer Medicare		437	
Total Office of the Principal			35,442

Fiscal Services

Bonus Payments	\$	1,850	
Social Security		115	
Pensions		190	
Employer Medicare		27	
Total Fiscal Services			2,182

Human Services/Personnel

Bonus Payments	\$	1,000	
Social Security		62	
Pensions		103	
Employer Medicare		14	
Total Human Services/Personnel			1,179

Operation of Plant

Custodial Personnel	\$	14,839	
Social Security		920	
Pensions		64	
Employer Medicare		215	
Total Operation of Plant			16,038

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Bonus Payments	\$	7,500	
Social Security		465	
Pensions		771	
Employer Medicare		109	
Total Maintenance of Plant			\$ 8,845

Transportation

Bus Drivers	\$	96,679	
Bonus Payments		60,605	
Other Salaries and Wages		33,735	
Social Security		10,243	
Pensions		6,371	
Employer Medicare		2,770	
Contracts with Parents		241	
Diesel Fuel		9,983	
Transportation Equipment		220,747	
Total Transportation			441,374

Operation of Non-Instructional Services

Food Service

Bonus Payments	\$	44,976	
Social Security		2,696	
Pensions		4,231	
Employer Medicare		652	
Total Food Service			52,555

Community Services

Teachers	\$	191,927	
Educational Assistants		8,790	
Other Salaries and Wages		4,475	
Social Security		12,647	
Pensions		20,081	
Employer Medicare		2,958	
Instructional Supplies and Materials		2,074	
Other Charges		6,816	
Total Community Services			249,768

Early Childhood Education

Bonus Payments	\$	18,203	
Social Security		1,129	
Pensions		1,840	
Employer Medicare		264	
Total Early Childhood Education			21,436

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 1,033,736	
Total Regular Capital Outlay		<u>\$ 1,033,736</u>

Total School Federal Projects Fund \$ 7,046,846

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 67,586	
Accountants/Bookkeepers	18,291	
Cafeteria Personnel	693,940	
Social Security	45,034	
Pensions	75,884	
Life Insurance	973	
Medical Insurance	78,173	
Employer Medicare	10,882	
Communication	4,028	
Data Processing Services	3,985	
Dues and Memberships	299	
Maintenance and Repair Services - Equipment	28,168	
Travel	4,299	
Disposal Fees	462	
Permits	800	
Other Contracted Services	5,992	
Electricity	26,013	
Food Supplies	740,357	
Natural Gas	7,432	
Office Supplies	2,378	
Uniforms	1,797	
Water and Sewer	2,279	
USDA - Commodities	227,234	
Other Supplies and Materials	91,493	
In Service/Staff Development	640	
Other Charges	11,764	
Food Service Equipment	<u>17,927</u>	
Total Food Service		<u>\$ 2,168,110</u>

Total Central Cafeteria Fund 2,168,110

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 770,098	
Total Community Services		<u>\$ 770,098</u>

Total Internal School Fund 770,098

Total Governmental Funds - Hardeman County School Department \$ 40,776,784

Exhibit K-9

Hardeman County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Fund
For the Year Ended June 30, 2022

	<u>Cities - Sales Tax Fund</u>
<u>Additions</u>	
Local Option Sales Tax	\$ 2,437,392
Total Additions	<u>\$ 2,437,392</u>
<u>Deductions</u>	
Remittance of Revenues Collected	\$ 2,413,422
Trustee's Commission	23,970
Total Deductions	<u>\$ 2,437,392</u>
Excess of Additions Over (Under) Deductions	\$ 0
Net Position, July 1, 2021	<u>0</u>
Net Position, June 30, 2022	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Hardeman County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 23, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Hardeman County School Department (a discretely presented component unit), as described in our report on Hardeman County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hardeman County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hardeman County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hardeman County's internal control.

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: 2022-008.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2022-001(B,C), 2022-002, 2022-005(A,B), 2022-010, 2022-011, and 2022-012.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hardeman County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2022-001(A), 2022-003, 2022-004, 2022-005(C), 2022-006, 2022-007, and 2022-009.

Hardeman County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 23, 2023

JEM/gc



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hardeman County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hardeman County's major federal programs for the year ended June 30, 2022. Hardeman County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Hardeman County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hardeman County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does

not provide a legal determination of Hardeman County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hardeman County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hardeman County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hardeman County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Hardeman County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Hardeman County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Hardeman County's basic financial statements. We issued our report thereon dated January 23, 2023, 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

January 23, 2023

JEM/gc

Hardeman County, Tennessee, and the Hardeman County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (9)
For the Year Ended June 30, 2022

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 657,898
National School Lunch Program	10.555	N/A	2,007,670 (8)
Fresh Fruit and Vegetable Program	10.582	N/A	63,742
COVID 19 - Pandemic-EBT Administrative Costs Grant	10.649	N/A	3,063
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	227,234 (8)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG2271213	21,671
Total U.S. Department of Agriculture			<u>\$ 2,981,278</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Emergency Supplemental Funding	16.034	N/A	\$ 37,415
Total U.S. Department of Justice			<u>\$ 37,415</u>
U.S. Department of Treasury:			
Direct Program:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)	21.027	N/A	\$ 1,388,851
Total U.S. Department of Treasury			<u>\$ 1,388,851</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,210,141
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	961,002 (8)
COVID 19 - Special Education - Grants to States (ARP)	84.027	N/A	57,479 (8)
Special Education - Preschool Grants	84.173	N/A	46,612
Career and Technical Education - Basic Grants to States	84.048	N/A	60,594
Twenty-first Century Community Learning Centers	84.287	N/A	255,120
Rural Education	84.358	N/A	78,630
Supporting Effective Instruction State Grant	84.367	N/A	160,762
Student Support and Academic Enrichment Program	84.424	N/A	92,726
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER GEER)	84.425C	N/A	39,490 (8)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	679,131 (8)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	1,680,149 (8)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,498,238 (8)
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	158,388
Total U.S. Department of Education			<u>\$ 6,978,462</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG2271213	\$ 19,399
Maternal and Child Health Services Block Grant to the States	93.994	GG2271214	4,615
Passed-through State Department of Education:			
COVID-19 - Epidemiology and Laboratory Capacity for Infections Diseases (ARP)	93.323	N/A	739,098
COVID 19 - Temporary Assistance for Needy Families	93.558	N/A	124,504
Total U.S. Department of Health and Human Services			<u>\$ 887,616</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants	97.042	(5)	\$ 6,742
Total U.S. Department of Homeland Security			\$ 6,742
Total Expenditures of Federal Awards			\$ 12,280,364

<u>State Grants</u>		Contract Number	
Coordinated School Health - State Department of Education	N/A	(5)	\$ 100,000
Early Childhood Education - State Department of Education	N/A	(5)	1,042,796
Safe Schools - State Department of Education	N/A	(5)	80,360
COVID 19 - Summer Learning Camps Grant - State Department of Education	N/A	(5)	120,081
COVID 19 - Learning Camp Transportation Grant - State Department of Education	N/A	(5)	44,823
COVID 19 - STREAM Mini Camps Grant - State Department of Education	N/A	(5)	24,027
COVID 19 - Bridge Camps Grant - State Department of Education	N/A	(5)	55,425
Airport Maintenance Program - State Department of Transportation	N/A	(6)	22,952
School Resource Officer Grant - State Department of Education	N/A	(5)	194,256
Juvenile Justice & Delinquency Prevention - State Commission on Children and Youth	N/A	(5)	9,000
High Visibility Law Enforcement Grant - State Department of Transportation	N/A	Z21THS124	4,229
Litter Grant - State Department of Transportation	N/A	(5)	18,359
Computer Science Collegiate High School Grant - State Board of Regents	N/A	(5)	39,635
Supporting Postsecondary Access in Rural Communities - Tennessee Higher Education Commission	N/A	(5)	124,703
Archives Development Grant - State Department of Library and Archives	N/A	(5)	600
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A	(5)	650,321
Health Department Grant - State Department of Health	N/A	(7)	77,070
Total State Grants			\$ 2,608,637

FAL = Federal Assistance Listing
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Hardeman County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Child Nutrition Cluster total \$2,956,544; Special Education Cluster total \$1,065,093.
- (5) Information not available.
- (6) 35-0742-21: \$8,751; 35-0745-22: \$3,451; 35-0746-22: \$10,750.
- (7) GG2166905: \$8,076; GG2271213: \$36,755; GG2272936: \$32,239.
- (8) Total for FAL No. 10.555 is \$2,234,904; Total for FAL No. 84.027 is \$1,018,481; Total for FAL No. 84.425 is \$3,897,008.
- (9) The following amounts were consolidated for administration purposes:

Program Title	Federal Assistance Listing Number	Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 141,477
Rural Education	84.358	2,925
Supporting Effective Instruction State Grant	84.367	14,626
Student Support and Academic Enrichment Program	84.424	1,463
Total amounts consolidated for administration purposes		\$ 160,491

Hardeman County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Hardeman County, Tennessee, for the year ended June 30, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<u>OFFICE OF COUNTY MAYOR</u>					
2021	186	2021-001	The office had deficiencies in purchasing procedures.	N/A	Part A: Not Corrected - See Explanation on Corrective Action Plan Parts B and C: Corrected
2021	187	2021-002	Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2021	188	2021-003	The office had deficiencies in budget operations.	N/A	Part A: Corrected Part B: Not Corrected - See Explanation on Corrective Action Plan
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>					
2021	189	2021-004	The office had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
<u>OFFICE OF TRUSTEE</u>					
2021	191	2021-005	The office had accounting deficiencies.	N/A	Parts A and B: Not Corrected - See Explanation on Corrective Action Plan Parts C and D: Corrected
2021	192	2021-006	The office did not review its software audit logs.	N/A	Corrected
<u>OFFICE OF SHERIFF</u>					
2021	193	2021-007	The office did not deposit some funds within three days of collection.	N/A	Corrected
<u>OFFICES OF COUNTY MAYOR, TRUSTEE, AND SHERIFF</u>					
2021	193	2021-008	Duties were not segregated adequately.	N/A	County Mayor: Corrected Trustee and Sheriff - Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

HARDEMAN COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Hardeman County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **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 Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)
 - * Assistance Listing Number: 84.010 Title I Grants to Local Educational Agencies
 - * Assistance Listing Number: 84.425 COVID-19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2022-001

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 53 disbursements totaling \$596,269 from a population of 2,441 vendor checks totaling \$35,051,583. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

- A. Competitive bids were not solicited for a storage expansion project (\$13,620), tree removal at the airport (\$20,183), and backhoe services at the landfill (\$178,975). Purchasing procedures for the county are governed by Chapter 90, Private Acts of 1989, as amended, which requires competitive bids to be solicited through newspaper advertisements for all purchases exceeding \$10,000. The failure to solicit competitive bids could result in the county paying more than the most competitive price.
- B. In six of 23 applicable instances, purchase orders were not issued. Purchase orders are necessary to control who has purchasing authority for the county and to document purchase commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.
- C. In four of 23 applicable instances, purchase orders were issued after the purchases were made. This practice defeats the purpose of issuing a purchase order and makes the purchase order an approval for payment rather than an approval of the purchase.

RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by Chapter 90, Private Acts of 1989, as amended. Purchase orders should be issued for all applicable purchases before purchases are made to strengthen internal controls over

purchasing procedures and to document purchasing commitments.

MANAGEMENT'S RESPONSE – JIMMY SAIN, FORMER COUNTY MAYOR

I do not concur with the bidding deficiencies. Competitive bids were not advertised for the Agribusiness Center's storage addition. The addition was constructed paying a local contractor by the hour, and the projected cost was less than \$10,000. The contractor picked up materials, approved by the county, from a local vendor, and they were charged to him rather than the county. His reimbursement caused the projected price to exceed the \$10,000 limit. Competitive bids were advertised for the airport tree removal and the landfill dirt construction. No bids were received on the tree removal, and the person was contracted for the cutting by the tree. The landfill dirt construction was bid out publicly several times. On the third bid, a bidder was awarded the contract but pulled off the job shortly after he started. A local contractor was hired to complete the job at an hourly rate per piece of equipment utilized.

I do concur with the purchase orders being issued prior to the purchases. Every effort was made to follow policy.

MANAGEMENT'S RESPONSE – TODD PULSE, CURRENT COUNTY MAYOR

We concur with this finding. Competitive bids will be solicited for applicable purchases, and purchase orders will be issued before purchases are made.

AUDITOR'S COMMENT

When considering whether the storage expansion project required competitive bidding, the amounts for both labor and materials should have been considered whether paid for by the contractor or by the county. Auditors reviewed bid documentation for the last several years and found no evidence that the tree removal or the landfill backhoe services had been competitively bid.

FINDING 2022-002

SOME GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – JIMMY SAIN, FORMER COUNTY MAYOR

I concur.

MANAGEMENT’S RESPONSE – TODD PULSE, CURRENT COUNTY MAYOR

We concur with this finding and will take steps to reconcile these accounts.

FINDING 2022-003 **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; managements failure to provide sufficient oversight; management’s failure to correct the finding noted in the prior year audit report; and management’s failure to implement their corrective action plan.

- A. Expenditures exceeded appropriations approved by the county commission in three of 57 major appropriations categories of the General Fund as reflected in the following table:

Major Appropriation Category	Amount Overspent
General Government - Board of Equalization	\$ 100
Finance - Accounting and Budgeting	359
Public Safety - County Coroner/Medical Examiner	1,200

- B. Salaries exceeded appropriations in five of 97 salary line-items in the General Fund by amounts ranging from \$100 to \$17,774. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, 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 – JIMMY SAIN, FORMER COUNTY MAYOR

I concur. The assessor of property exceeded the budget for the Board of Equalization without requesting a budget amendment. The county has no way of predicting the expenditures for the coroner’s budget as much of it is for autopsies.

MANAGEMENT’S RESPONSE – TODD PULSE, CURRENT COUNTY MAYOR

We concur with this finding and will monitor the budget closely.

FINDING 2022-004

COUNTY COMMISSIONERS WERE NOT PAID IN COMPLIANCE WITH STATE STATUTE
(Noncompliance Under *Government Auditing Standards*)

Hardeman County Commissioners appropriated funds to provide each employee of the county with a one-time bonus, which included \$250 bonuses to 15 county commissioners. These funds were disbursed in December 2021. By increasing their pay during a term of office, the legislative body violated Section 5-5-107(2)(e), *Tennessee Code Annotated*. This statute states that any increase in compensation for the members of the county legislative body does not take effect until the beginning of the term following the next election of county commissioners. This noncompliance is due to management’s failure to follow the state statute.

RECOMMENDATION

County officials should be paid in accordance with state statutes. The county should take steps to ensure that all county commissioners are paid in compliance with Section 5-5-107(2)(e), *TCA*.

MANAGEMENT’S RESPONSE – JIMMY SAIN, FORMER COUNTY MAYOR

I do not concur. The commissioners were paid a salary based on state statute. American Rescue Plan funds were utilized by the policy of hazardous pay during the COVID-19 pandemic. The guidelines stated that county personnel which were required to interact face-to-face with the public were eligible for the pay. The commissioners also received committee pay based on the committees they serve on.

MANAGEMENT’S RESPONSE – TODD PULSE, CURRENT COUNTY MAYOR

We concur with this finding.

AUDITOR'S COMMENT

When the commissioners were paid an extra \$250 during the fiscal year, their compensation was increased, which is a violation of Section 5-5-107(2)(e), *TCA*.

FINDING 2022-005

THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF PAYROLL AND ACCRUED LEAVE RECORDS

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

Our examination revealed the following deficiencies related to the administration of payroll and accrued leave records. These deficiencies exist due to a lack of management oversight, a lack of understanding of sound business practices, and the failure to comply with the state statute.

- A. Accrued leave records contained numerous errors. Beginning balances did not always match the prior period ending balances, and ending balances were not always calculated correctly. In some instances, current employees with accrued leave balances had been omitted from the accrued leave records, and in two instances, accrued leave had not been paid out correctly. The failure to make accurate calculations weakens internal control over the payroll process and increases the risks of improper payments.
- B. In three instances, county employees were not required to submit time sheets to support payroll disbursements. Auditors were advised that these individuals were contracted employees; however, there was no documented evidence that these contracts existed or had been approved. Sound business practices dictate that payroll time sheets should be maintained and signed by the employee and supervisor as documentation that the time reported is accurate and has been reviewed. The failure to properly document time could lead to improper payments for time worked.
- C. Hardeman County Emergency Medical Services adopted new policies and procedures on April 20, 2022, that included changes to how vacation leave is accrued. The new policies were not approved by the county commission. Section 5-23-106, *Tennessee Code Annotated*, requires that once adopted and approved, personnel policies may be amended, modified, or repealed at any time by the same process used for the original adoption of the policies. Policies governing vacation leave for the emergency medical service were originally approved by the county commission on March 18, 2003.

RECOMMENDATION

The County Mayor's Office should maintain an accurate record of accrued leave balances. Time sheets should be maintained and signed by employees and their supervisors. Accrued leave policies should be approved properly.

MANAGEMENT’S RESPONSE – JIMMY SAIN, FORMER COUNTY MAYOR

I concur.

MANAGEMENT’S RESPONSE – TODD PULSE, CURRENT COUNTY MAYOR

We concur with this finding. Accrued leave records will be reviewed for accuracy. Timesheets will be completed by employees, and we will work with the EMS Department on getting their policies properly approved.

FINDING 2022-006

A CAPITAL OUTLAY NOTE WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTES
(Noncompliance Under *Government Auditing Standards*)

On May 20, 2022, the county mayor issued a \$618,725 capital outlay note for a landfill compactor without approval of the county commission or the state Comptroller’s Office. Section 9-21-601(a), *Tennessee Code Annotated (TCA)*, states that “the governing body of a local government acting by resolution may issue and sell interest-bearing capital outlay notes...”, and Section 9-21-601(b)(1), *TCA*, states that “the sale of all interest-bearing capital outlay notes must first be approved by the comptroller of the treasury or the comptroller’s designee.” The office also did not file a Report on Debt Obligation with the state Comptroller’s Office for this capital outlay note. Section 9-21-134, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller’s Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. These deficiencies were the result of a lack of management oversight and the failure to comply with state statutes.

RECOMMENDATION

Capital outlay notes should be issued in compliance with state statutes, and the office should file a Report on Debt Obligation with the state Comptroller’s Office for each debt issuance.

MANAGEMENT’S RESPONSE – JIMMY SAIN, FORMER COUNTY MAYOR

I concur. The capital outlay note was approved by the county commission and competitive rates were received from local banks. The commission approved the note, rate and purchase. We failed to notify the Comptroller’s Office of this debt.

MANAGEMENT’S RESPONSE – TODD PULSE, CURRENT COUNTY MAYOR

We concur with this finding. Going forward, all debt will be issued in compliance with state statutes.

AUDITOR COMMENT

Auditors reviewed county commission minutes for the fiscal year, as well as information provided to the commissioners in meeting packets, and were unable to find any documentation that the capital outlay note had been discussed or approved.

FINDING 2022-007

SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION AT THE SOLID WASTE AND ANIMAL CONTROL OFFICE

(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 by the Solid Waste and Animal Control Office for the months of July through September 2021 to trace to deposits. During these months, collections in six of 13 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 – JIMMY SAIN, FORMER COUNTY MAYOR

I concur.

MANAGEMENT'S RESPONSE – TODD PULSE, CURRENT COUNTY MAYOR

We concur with this finding. Funds will be deposited within three days of collection.

OFFICE OF HIGHWAY SUPERINTENDENT

FINDING 2022-008

THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2022, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments for accounts receivable and related deferred revenue totaling \$245,747 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the highway 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 highway department should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERINTENDENT

I concur with the finding. All accounts receivable and deferred revenues will be properly posted at year-end.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2022-009

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(Noncompliance Under *Government Auditing Standards*)

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

- A. An itemized budget and some amendments for the General Purpose School Fund were not presented for approval to the budget committee or county commission. Section 6, Private Acts of 1937, Chapter 68, states, "That it shall, likewise, be the duty of the School Board on or before the first Monday in April for each year to prepare and file with the Budget Committee an itemized statement of budget, as specified in Section 2 of this Act, of the funds which said Board estimates will be necessary for the maintenance and operation of the schools and expenses incident thereto..." Furthermore, Section 2 states a budget containing a complete and itemized classification according to function and activity of all proposed expenditures and all revenues by sources and borrowings be presented to the budget committee. Additionally, Section 4 of the county's budget appropriations resolution requires county commission approval of all salaries and wages as noted in Part D. of this finding. Since the budget and amendments did receive approval of the board of education, auditors did not reverse amounts that were not approved by the county commission.

- B. The entire budget and amendments in the Central Cafeteria Fund were not presented for approval to the budget committee or the county commission as required by Section 6, Private Acts of 1937, Chapter 68 as noted in Part A. of this finding.
- C. Expenditures exceeded appropriations approved by the county commission and board of education in the Support Services – Special Education Program major appropriation category (the legal level of control) of the General Purpose School Fund by \$64,259.
- D. Salaries exceeded appropriations in 2 of 69 salary line-items of the General Purpose School Fund by \$116 and \$63,263. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, 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

The budget and amendments should be properly presented to the budget committee and county commission for approval. Expenditures should be held within appropriations approved by the county commission.

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

- A: The Hardeman County Board of Education will work with the budget committee and/or county commission to ensure that the budget is approved properly and timely.
- B: We concur. At the conclusion of the prior year audit, the Hardeman County Board of Education was informed that the Central Cafeteria Fund budget needed budget committee/county commission approval. This was in the last quarter of 2021. It was too late to take the Central Cafeteria Fund for approval for fiscal year 2022. For the current fiscal year (FY 23), the Central Cafeteria Fund has been approved by the county commission.
- C: As the year-end processes were being completed, it was determined that there had been a special education employee whose charges had not been coded to the special education categories. The cost of this employee was reclassified for the district to meet maintenance of effort requirements to receive our special education federal monies. Without

reclassifying such costs, the result would have been a potential loss of federal funds. At the time of the reclassification, the board approval time had already passed.

D: Refer to responses A & C above.

OFFICE OF TRUSTEE

FINDING 2022-010

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 can be attributed to a lack of understanding of internal controls, generally accepting accounting principles, and sound business practices. Also, these deficiencies are the result of management's failure to correct the finding noted in the prior-year audit report and the failure to implement their corrective action plan.

- A. The trustee maintains control over three separate payroll clearing bank accounts and four separate tax clearing accounts for the county mayor, highway department, and the school department that were not reflected on the general ledger. Since these accounts were not posted on the general ledger, the trustee could not adequately reconcile general ledger operations with bank account activities and bank balances. This deficiency could result in a loss of control over assets.
- B. Bank statements for six of the trustee's bank accounts posted to the accounting records were not reconciled with the general ledger accurately during the period from July 2021 through June 2022. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly to ensure errors are identified and corrected promptly. The failure to regularly reconcile the bank accounts with accounting records is a significant deficiency that increases the risks that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

All bank activity should be reflected on the general ledger, bank accounts should be reconciled with the general ledger monthly, and errors identified should be corrected promptly.

MANAGEMENT'S RESPONSE – TRUSTEE

I concur with the finding and will make every effort to correct these deficiencies.

OFFICE OF SHERIFF

FINDING 2022-011

THE ANNUAL FINANCIAL REPORT DID NOT PROPERLY REFLECT THE OPERATIONS OF THE OFFICE

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

The annual financial report did not properly reflect the operations of the office. Receipts and disbursements for operations were understated on the annual financial report by \$22,290 and \$32,817, respectively. Beginning balances in the annual financial report did not always match prior year ending balances. Additionally, ending balances in the annual financial report were not correct and did not agree with the cash journal or reconciled bank statements. These amounts were determined by substantive testing and alternative auditing procedures and have been properly included in the financial statements in this report. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

The annual financial report should accurately reflect all operations of the sheriff's department.

MANAGEMENT'S RESPONSE – SHERIFF

I concur with the finding and will make every effort to ensure the annual financial report is correct.

OFFICES OF TRUSTEE AND SHERIFF

FINDING 2022-012

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – TRUSTEE

I concur and have taken steps to adequately segregate duties for fiscal year 2023.

MANAGEMENT'S RESPONSE – SHERIFF

I concur with the finding.

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, 2022.

Hardeman County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2022

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 COUNTY MAYOR

2022-001	The office had deficiencies in purchasing procedures.	206
2022-002	Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.	207
2022-003	The office had deficiencies in budget operations.	208
2022-004	County commissioners were not paid in compliance with state statute.	209
2022-005	The office had deficiencies in the administration of payroll and accrued leave records.	210
2022-006	A capital outlay note was not issued in compliance with state statutes.	211
2022-007	Some funds were not deposited within three days of collection at the Solid Waste and Animal Control Office.	212

OFFICE OF HIGHWAY SUPERINTENDENT

2022-008	The Highway/Public Works Fund required material audit adjustments for proper financial presentation.	213
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OFFICE OF DIRECTOR OF SCHOOLS

2022-009	The office had deficiencies in budget operations.	214
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OFFICE OF TRUSTEE

2022-010	The office had accounting deficiencies.	215
2022-012	Duties were not segregated adequately.	216

OFFICE OF SHERIFF

2022-011	The annual financial report did not properly reflect the operations of the office.	217
2022-012	Duties were not segregated adequately.	218



Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

Response and Corrective Action Plan Prepared by:
Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:
Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Parts of the prior year finding were corrected; however, the office failed to solicit competitive bids for all applicable purchases.

Planned Corrective Action:
Competitive bids will be solicited for all applicable purchases. We will work with department heads to ensure that purchase orders are obtained prior to purchases being made.



Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

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

Response and Corrective Action Plan Prepared by:
Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:
Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The office failed to complete the reconciliation process by year-end.

Planned Corrective Action:
Payroll deduction accounts will be reviewed, and any errors will be corrected. These accounts will be reviewed on a monthly basis.



Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:
Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:
Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The office failed to obtain budget amendments in some instances.

Planned Corrective Action:
We will monitor the budget closely to prevent expenditures from exceeding appropriations.



Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

COUNTY COMMISSIONERS WERE NOT PAID IN COMPLIANCE WITH STATE STATUTE

Response and Corrective Action Plan Prepared by:
Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:
Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
No

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

Planned Corrective Action:
County commissioners will be paid in compliance with state statutes. Their compensation will not be increased unless it's at the beginning of their term.



Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF PAYROLL AND ACCRUED LEAVE RECORDS

Response and Corrective Action Plan Prepared by:
Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:
Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
No

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

Planned Corrective Action:
Accrued leave records will be reviewed for accuracy and any errors will be promptly corrected. All applicable employees will be required to submit timesheets. We will work with the EMS Department to ensure that their policy changes have received the proper approval.



Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

A CAPITAL OUTLAY NOTE WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTES

Response and Corrective Action Plan Prepared by:
Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:
Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
No

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

Planned Corrective Action:

We will work with the state Comptroller's Office to ensure that all debt is issued in compliance with state statues including submitting Reports on Debt Obligation within 45 days of issuance.



Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION AT THE SOLID WASTE AND ANIMAL CONTROL OFFICE

Response and Corrective Action Plan Prepared by:

Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:

Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:

June 30, 2023

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

We will advise the Solid Waste and Animal Control Office to deposit funds within three days of collection.



Signature

Hardeman County

Casey Swift
Superintendent
(731) 658-5102
Fax: (731) 658-2583



P.O. Box 265
Bolivar, TN 38008

Corrective Action Plan

FINDING

**THE HIGHWAY/PUBLIC WORKS FUND REQUIRED
MATERIAL AUDIT ADJUSTMENTS FOR PROPER
FINANCIAL STATEMENT PRESENTATION**

Response and Corrective Action Plan Prepared by:

Casey Swift, Highway Superintendent

Person Responsible for Implementing the Corrective Action:

Casey Swift, Highway Superintendent

Anticipated Completion Date of Corrective Action:

June 30, 2023

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

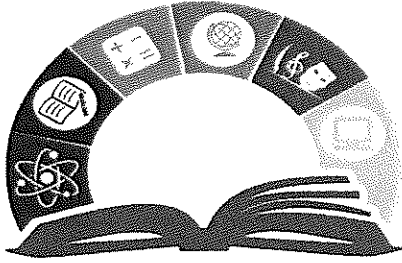
N/A

Planned Corrective Action:

All accounts receivable and deferred revenues will be properly posted at year-end.

Signature: _____

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



HARDEMAN COUNTY SCHOOLS

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

Christy D. Smith, Ed.D. ~ Director of Schools

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:

Christy D. Smith, Ed.D. Director of Schools and Lisa Higgs, Asst. Director for Finance and Adm.

Person Responsible for Implementing the Corrective Action:

Christy D. Smith, Ed.D. Director of Schools and Lisa Higgs, Asst. Director for Finance and Adm.

Anticipated Completion Date of Corrective Action:

Immediate

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Although improvements were made, we failed to correct all the deficiencies noted in the prior year audit.

Planned Corrective Action:

We will work to correct deficiencies in budget operations.

Signature: _____

Christy Smith

Signature: _____

Lisa Higgs

Phone (731) 658-5541



HARDEMAN COUNTY

SANDY HAMMONS, TRUSTEE

P.O. Box 337
Bolivar, TN 38008

Corrective Action Plan

FINDING: THE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Sandy Hammons, Trustee

Person Responsible for Implementing the Corrective Action:
Sandy Hammons, Trustee

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Although improvements were made, we failed to correct all the deficiencies noted in the prior year audit.

Planned Corrective Action:
We will work to get all accounts added to the general ledger and reconciled.

Corrective Action Plan

FINDING: DUTIES WERE SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

Sandy Hammons, Trustee

Person Responsible for Implementing the Corrective Action:

Sandy Hammons, Trustee

Anticipated Completion Date of Corrective Action:

June 30, 2023

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Although improvements were made, we failed to completely segregate duties during fiscal year 2022.

Planned Corrective Action:

We have taken steps to adequately segregate duties during fiscal year 2023.

Signature:

Sandy Hammons



Hardeman County Sheriff's Office

301 South Main St., Ste. B

Bohler, TN 38008

John Doolen
Sheriff

Greg Moore
Chief Deputy

Corrective Action Plan

FINDING

THE ANNUAL FINANCIAL REPORT DID NOT PROPERLY REFLECT THE OPERATIONS OF THE OFFICE

Response and Corrective Action Plan Prepared by:
John Doolen, Sheriff

Person Responsible for Implementing the Corrective Action:
John Doolen, Sheriff

Anticipated Completion Date of Corrective Action:
June 30, 2023

Repeat Finding:
No

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

Planned Corrective Action:
We will work to ensure that all receipts and disbursements are properly reflected on the annual financial report and that beginning and ending balances are accurately stated.



Hardeman County Sheriff's Office

404 South Main St. Ste. B

Bolivar, TN 38008

John Doolen
Sheriff

Greg Allison
Chief Deputy

Corrective Action Plan

FINDING

DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

John Doolen, Sheriff

Person Responsible for Implementing the Corrective Action:

John Doolen, Sheriff

Anticipated Completion Date of Corrective Action:

June 30, 2023

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Although improvements were made, we failed to completely segregate duties during fiscal year 2022.

Planned Corrective Action:

We will take steps to adequately segregate duties during fiscal year 2023.

Signature:

BEST PRACTICE

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

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

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

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