



## ANNUAL FINANCIAL REPORT

### Hardin County, Tennessee

*For the Year Ended June 30, 2022*

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



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT  
HARDIN 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](http://www.comptroller.tn.gov)**

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## HARDIN COUNTY, TENNESSEE

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF HIGHWAY COMMISSIONER**

- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.
- ◆ An investigation disclosed the former highway commissioner used department funds for work performed on private property, violated county bid procedures, and falsified invoices.

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### **OFFICE OF TRUSTEE**

- ◆ The office maintained a duplicate set of receipts.



## INTRODUCTORY SECTION

## Hardin County Officials

June 30, 2022

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### Officials

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

### Board of County Commissioners

Kevin Davis, County Mayor, Chairman	Janet Jerrolds
Stephen Ballard	Brodie Johnson
Philip Blackwelder	Shirley Matlock
Joseph Bonee	Fred McFalls, Jr.
Larry Byrd	Shane McGee
Adam Coleman	Michael Pitts
Gary Combs	Paul Riddell
Mike Fowler	Kathy Smith
Wally Hamilton	Glen Spencer
Charles Holloway	Emery White
Roger Jenkins	

### Highway Commission

Kevin Davis, County Mayor, Secretary	Billy Grooms
Hugh Gresham	Carter Horton

### Board of Education

Ron Ashe, Chairman	Janie Milender
James David Baker	Lonnie Miller
David Burgess	Bobby Tucker
Jeanell Dennis	Olga Turnbow
Justin Johnson	Gary Vickery

### Audit Committee

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

## **FINANCIAL SECTION**



JASON E. MUMPOWER  
*Comptroller*

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on the 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 Hardin 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 Hardin 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 Park Rest Hardin County Health Center (the entire business-type activities and a major fund). Also, we did not audit the financial statements of the discretely presented Hardin Medical Center component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Park Rest Hardin County Health Center and Hardin Medical Center is based solely on the reports of other auditors. We were unable to determine Hardin Medical Center's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Hardin County Emergency Communications District and the Hardin County Convention and Visitors Bureau, component units requiring discrete presentation, were not included in the county's financial statements. We also did not audit the financial statements of the Internal School Fund of the Hardin County School Department (a discretely presented component unit), which represent 1.7 percent, 2.7 percent, and three 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 Hardin 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 Hardin 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.

### ***Change in Accounting Principle***

As described in Note V.B., Hardin County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 establishes a single approach to accounting for and reporting leases by state and local governments. 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 Hardin 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 Hardin 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 Hardin 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 schedules of county and 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 Hardin County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Rural Debt Service Fund, combining and individual fund financial statements of the Hardin 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 Rural Debt Service Fund, combining and individual fund financial statements of the Hardin 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 27, 2023, on our consideration of Hardin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hardin County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hardin County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in blue ink, appearing to read "JEM" followed by "Mumpower".

Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

January 27, 2023

JEM/tg

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## **BASIC FINANCIAL STATEMENTS**

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Hardin County	Hardin Medical Center
				Department	
<b>ASSETS</b>					
Cash	\$ 613	\$ 885,082	\$ 885,695	\$ 1,267,668	\$ 43,250,784
Equity in Pooled Cash and Investments	19,696,079	0	19,696,079	11,301,202	0
Inventories	0	23,504	23,504	0	1,219,516
Accounts Receivable	50,090	304,869	354,959	3,463	3,217,658
Due from Other Governments	1,351,624	590,424	1,942,048	2,465,520	0
Due from Component Units	1,897,985	0	1,897,985	0	0
Property Taxes Receivable	7,818,223	0	7,818,223	8,958,383	0
Allowance for Uncollectible Property Taxes	(297,116)	0	(297,116)	(340,448)	0
Prepaid Items	0	12,697	12,697	0	625,380
Other Current Assets	0	0	0	0	108,141
Restricted Assets:					
Patient Trust	0	64,161	64,161	0	0
Amounts Accumulated for Pension Benefits	0	0	0	233,472	0
Net Pension Asset - Agent Plan	5,079,781	0	5,079,781	2,185,353	939,259
Net Pension Asset - Teacher Retirement Plan	0	0	0	223,266	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	16,226,394	0
Subscription Asset	0	0	0	0	1,684,300
Capital Assets:					
Assets Not Depreciated:					
Land	2,575,249	26,700	2,601,949	1,217,760	331,033
Construction in Progress	55,687	0	55,687	135,473	511,061
Assets Net of Accumulated Depreciation/Amortization:					
Buildings and Improvements	7,617,544	115,755	7,733,299	31,763,622	8,287,163
Infrastructure	7,940,762	0	7,940,762	0	3,913,676
Other Capital Assets	3,604,760	22,849	3,627,609	533,811	0
Total Assets	\$ 57,391,281	\$ 2,046,041	\$ 59,437,322	\$ 76,174,939	\$ 64,087,971

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Hardin County School Department	Hardin Medical Center	
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>						
Deferred Amount on Refunding	\$ 489,027	\$ 0	\$ 489,027	\$ 0	\$ 0	0
Pension Changes in Experience	50,356	0	50,356	80,077	0	0
Pension Changes in Assumptions	1,289,049	0	1,289,049	4,970,508	0	0
Pension Changes in Proportion	0	0	0	3,448	0	0
Pension Contributions After Measurement Date	390,405	0	390,405	1,519,895	465,239	0
OPEB Changes in Assumptions	39,963	0	39,963	548,130	0	0
OPEB Contributions After Measurement Date	13,849	0	13,849	291,850	0	0
Total Deferred Outflows of Resources	\$ 2,272,649	\$ 0	\$ 2,272,649	\$ 7,413,908	\$ 465,239	
<b><u>LIABILITIES</u></b>						
Accounts Payable	\$ 71,175	\$ 60,205	\$ 131,380	\$ 750,627	\$ 2,950,933	0
Accrued Management Fee	0	864,736	864,736	0	0	0
Other Accrued Expenses	0	93,135	93,135	0	1,952,506	0
Accrued Payroll	191,718	0	191,718	0	0	0
Payroll Deductions Payable	15,245	0	15,245	182,999	0	0
Due to Primary Government	0	0	0	1,894,291	3,694	0
Due to Other Governments	2,491,300		2,491,300	0	0	0
Accrued Interest Payable	101,744	0	101,744	0	0	0
Estimated third-party settlements	0	0	0	0	160,614	0
Current Liabilities Payable from Restricted Assets:						
Patient Trust	0	64,161	64,161	0	0	0
Noncurrent Liabilities:						
Due Within One Year - Debt	2,495,110	0	2,495,110	0	953,091	0
Due Within One Year - Other	192,061	0	192,061	25,650	0	0
Due in More Than One Year - Debt	32,410,930	0	32,410,930	0	4,818,103	0
Due in More Than One Year - Other	356,306	0	356,306	6,543,713	0	0
Total Liabilities	\$ 38,325,589	\$ 1,082,237	\$ 39,407,826	\$ 9,397,280	\$ 10,838,941	

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Hardin County Department	Hardin School Medical Center	
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Deferred Current Property Taxes	\$ 7,309,396	\$ 0	\$ 7,309,396	\$ 8,375,349	\$ 0	0
Pension Changes in Experience	240,460	0	240,460	1,497,634		0
Pension Changes in Investment Earnings	3,120,843	0	3,120,843	14,411,310		3,951,792
Pension Changes in Proportion	0	0	0	85,100		0
OPEB Changes in Experience	149,881	0	149,881	921,837		0
OPEB Changes in Assumptions	77,094	0	77,094	611,067		0
OPEB Changes in Proportion	0	0	0	502,916		0
Total Deferred Inflows of Resources	\$ 10,897,674	\$ 0	\$ 10,897,674	\$ 26,405,213	\$ 3,951,792	
<b><u>NET POSITION</u></b>						
Net Investment in Capital Assets	\$ 13,252,259	\$ 165,304	\$ 13,417,563	\$ 33,650,666	\$ 7,271,739	
Restricted for:						
General Government	262,161	0	262,161	0	0	0
Finance	42,449	0	42,449	0	0	0
Administration of Justice	137,379	0	137,379	0	0	0
Public Safety	223,160	0	223,160	0	0	0
Public Health and Welfare	147,051	0	147,051	0	0	0
Social, Cultural, and Recreational Services	459,791	0	459,791	0	0	0
Highway/Public Works	807,074	0	807,074	0	0	0
Capital Projects	0	0	0	2,619	0	0
Debt Service	5,981,782	0	5,981,782	0	0	0
Education	0	0	0	1,274,615	0	0
Operation of Non-instructional Services	0	0	0	2,109,155	0	0
Hybrid Retirement Stabilization Funds	0	0	0	233,472	0	0
Pensions	5,079,781	0	5,079,781	18,635,013		939,259
Unrestricted	(15,952,220)	798,500	(15,153,720)	(8,119,186)		41,551,479
Total Net Position	\$ 10,440,667	\$ 963,804	\$ 11,404,471	\$ 47,786,354	\$ 49,762,477	

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position										
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government			Component Units						
			Total Governmental Activities	Business- type Activities		Hardin County School Department	Hardin Medical Center								
<b>Primary Government:</b>															
<b>Governmental Activities:</b>															
General Government	\$ 3,136,833	\$ 294,336	\$ 349,727	\$ 0	\$ (2,492,770)	\$ 0	\$ (2,492,770)	\$ 0	\$ 0	\$ 0					
Finance	1,095,626	1,019,176	0	0	(76,450)	0	(76,450)	0	0	0					
Administration of Justice	946,111	499,320	87,335	0	(359,456)	0	(359,456)	0	0	0					
Public Safety	6,485,548	852,232	88,206	383,670	(5,161,440)	0	(5,161,440)	0	0	0					
Public Health and Welfare	2,361,189	387,732	309,521	0	(1,663,936)	0	(1,663,936)	0	0	0					
Social, Cultural, and Recreational Services	554,719	6,328	51,160	0	(497,231)	0	(497,231)	0	0	0					
Agriculture and Natural Resources	154,802	131,708	0	0	(23,094)	0	(23,094)	0	0	0					
Highways/Public Works	4,127,281	0	2,566,690	993,022	(567,569)	0	(567,569)	0	0	0					
Interest on Long-term Debt	1,254,156	0	2,816,597	0	1,562,441	0	1,562,441	0	0	0					
<b>Total Governmental Activities</b>	<b>\$ 20,116,265</b>	<b>\$ 3,190,832</b>	<b>\$ 6,269,236</b>	<b>\$ 1,376,692</b>	<b>\$ (9,279,505)</b>	<b>\$ 0</b>	<b>\$ (9,279,505)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>					
<b>Business-type Activities:</b>															
Park Rest Hardin County Health Center	\$ 3,442,497	\$ 3,783,361	\$ 0	\$ 0	\$ 0	\$ 340,864	\$ 340,864	\$ 0	\$ 0	\$ 0					
<b>Total Primary Government</b>	<b>\$ 23,558,762</b>	<b>\$ 6,974,193</b>	<b>\$ 6,269,236</b>	<b>\$ 1,376,692</b>	<b>\$ (9,279,505)</b>	<b>\$ 340,864</b>	<b>\$ (8,938,641)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>					
<b>Component Units:</b>															
Hardin County School Department	\$ 37,335,509	\$ 375,965	\$ 8,855,265	\$ 3,648,313	\$ 0	\$ 0	\$ 0	\$ (24,455,966)	\$ 0	\$ 0					
Hardin Medical Center	48,399,058	39,269,533	711,128	0	0	0	0	0	(8,418,397)	0					
<b>Total Component Units</b>	<b>\$ 85,734,567</b>	<b>\$ 39,645,498</b>	<b>\$ 9,566,393</b>	<b>\$ 3,648,313</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (24,455,966)</b>	<b>\$ (8,418,397)</b>	<b>\$ 0</b>					

(Continued)

Exhibit B

Hardin County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Hardin County School Department	Hardin Medical Center	
					Total Governmental Activities	Business- type Activities	Total			
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 7,275,068	\$ 0	\$ 7,275,068	\$ 8,603,998	\$ 0	0
Property Taxes Levied for Debt Service					234,748	0	234,748	0	0	0
Local Option Sales Taxes					1,601,825	0	1,601,825	6,707,904		0
Hotel/Motel Tax					420,258	0	420,258	0	0	0
Wheel Tax					1,191,941	0	1,191,941	0	0	0
Litigation Tax					127,938	0	127,938	0	0	0
Business Tax					450,107	0	450,107	0	0	0
Mineral Severance Tax					83,552	0	83,552	0	0	0
Wholesale Beer Tax					257,146	0	257,146	0	0	0
Other Local Taxes					39,812	0	39,812	39,946		0
Grants and Contributions Not Restricted to Specific Programs					2,089,597	0	2,089,597	17,676,172		0
Unrestricted Investment Income					48,015	1,788	49,803	0	0	0
Miscellaneous					349,327	0	349,327	34,506	6,599,046	
Total General Revenues					\$ 14,169,334	\$ 1,788	\$ 14,171,122	\$ 33,062,526	\$ 6,599,046	
Change in Net Position					\$ 4,889,829	\$ 342,652	\$ 5,232,481	\$ 8,606,560	\$ (1,819,351)	
Net Position, July 1, 2021					5,550,838	621,152	6,171,990	39,179,794	51,581,828	
Net Position, June 30, 2022					\$ 10,440,667	\$ 963,804	\$ 11,404,471	\$ 47,786,354	\$ 49,762,477	

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Other Special Revenue	Highway / Public Works	Rural Debt Service	Other Governmental Funds		
<b>ASSETS</b>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 613	\$ 613	
Equity in Pooled Cash and Investments	7,487,190	2,491,300	2,328,113	4,150,671	3,238,805	19,696,079	
Accounts Receivable	21,922	0	0	0	28,168	50,090	
Due from Other Governments	517,304	0	510,788	107,461	216,071	1,351,624	
Due from Other Funds	613	0	0	0	0	613	
Due from Component Units	0	0	0	424,143	3,694	427,837	
Property Taxes Receivable	6,515,187	0	814,398	0	488,638	7,818,223	
Allowance for Uncollectible Property Taxes	(247,598)	0	(30,950)	0	(18,568)	(297,116)	
<b>Total Assets</b>	<b>\$ 14,294,618</b>	<b>\$ 2,491,300</b>	<b>\$ 3,622,349</b>	<b>\$ 4,682,275</b>	<b>\$ 3,957,421</b>	<b>\$ 29,047,963</b>	
<b>LIABILITIES</b>							
Accounts Payable	\$ 51,847	\$ 0	\$ 0	\$ 0	\$ 19,328	\$ 71,175	
Accrued Payroll	169,212	0	0	0	22,506	191,718	
Payroll Deductions Payable	12,959	0	66	0	2,220	15,245	
Due to Other Funds	0	0	0	0	613	613	
Due to Other Governments	0	2,491,300	0	0	0	2,491,300	
<b>Total Liabilities</b>	<b>\$ 234,018</b>	<b>\$ 2,491,300</b>	<b>\$ 66</b>	<b>\$ 0</b>	<b>\$ 44,667</b>	<b>\$ 2,770,051</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Current Property Taxes	\$ 6,091,163	\$ 0	\$ 761,395	\$ 0	\$ 456,838	\$ 7,309,396	
Deferred Delinquent Property Taxes	165,335	0	20,667	0	12,401	198,403	
Other Deferred/Unavailable Revenue	212,379	0	233,974	262,347	101,977	810,677	
<b>Total Deferred Inflows of Resources</b>	<b>\$ 6,468,877</b>	<b>\$ 0</b>	<b>\$ 1,016,036</b>	<b>\$ 262,347</b>	<b>\$ 571,216</b>	<b>\$ 8,318,476</b>	

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Other Special Revenue	Highway / Public Works	Rural Debt Service	Other Governmental Funds		
<b>FUND BALANCES</b>							
Restricted:							
Restricted for General Government	\$ 29,277	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,277	
Restricted for Finance	42,449	0	0	0	0	42,449	
Restricted for Administration of Justice	137,379	0	0	0	0	137,379	
Restricted for Public Safety	124,552	0	0	0	98,608	223,160	
Restricted for Public Health and Welfare	38,874	0	0	0	0	38,874	
Restricted for Social, Cultural, and Recreational Services	459,791	0	0	0	0	459,791	
Restricted for Other Operations	70,141	0	0	0	0	70,141	
Restricted for Highways/Public Works	0	0	577,550	0	0	577,550	
Restricted for Debt Service	0	0	0	4,419,928	894,792	5,314,720	
Restricted for Other Purposes	47,439	0	0	0	0	47,439	
Committed:							
Committed for General Government	1,567,991	0	0	0	0	1,567,991	
Committed for Administration of Justice	63,115	0	0	0	0	63,115	
Committed for Public Safety	685,177	0	0	0	0	685,177	
Committed for Public Health and Welfare	182,732	0	0	0	753,681	936,413	
Committed for Social, Cultural, and Recreational Services	3,600	0	0	0	0	3,600	
Committed for Highways/Public Works	0	0	2,028,697	0	0	2,028,697	
Committed for Debt Service	0	0	0	0	1,594,457	1,594,457	
Committed for Other Purposes	21,548	0	0	0	0	21,548	
Assigned:							
Assigned for General Government	88,450	0	0	0	0	88,450	
Assigned for Finance	9,531	0	0	0	0	9,531	
Assigned for Administration of Justice	13,699	0	0	0	0	13,699	
Assigned for Public Safety	3,520	0	0	0	0	3,520	
Assigned for Public Health and Welfare	2,278	0	0	0	0	2,278	

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Assigned (Cont.):

Assigned for Social, Cultural, and Recreational Services

Assigned for Agriculture and Natural Resources

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Other Special Revenue	Highway / Public Works	Rural Debt Service	Other Governmental Funds		
Assigned for Social, Cultural, and Recreational Services	\$ 385	\$ 0	\$ 0	\$ 0	\$ 0	\$ 385	
Assigned for Agriculture and Natural Resources	39,557	0	0	0	0	39,557	
Unassigned	3,960,238	0	0	0	0	3,960,238	
Total Fund Balances	\$ 7,591,723	\$ 0	\$ 2,606,247	\$ 4,419,928	\$ 3,341,538	\$ 17,959,436	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,294,618	\$ 2,491,300	\$ 3,622,349	\$ 4,682,275	\$ 3,957,421	\$ 29,047,963	

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

Exhibit C-2

Hardin County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 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)	\$ 17,959,436
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: land	\$ 2,575,249
Add: construction in progress	55,687
Add: buildings and improvements net of accumulated depreciation	7,617,544
Add: infrastructure net of accumulated depreciation	7,940,762
Add: other capital assets net of accumulated depreciation	<u>3,604,760</u>
	21,794,002
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Less: note payable	\$ (158,151)
Less: bonds payable	(30,010,000)
Less: other loans payable	(2,318,637)
Add: debt to be contributed from the school department	1,470,148
Add: deferred amount on refunding	489,027
Less: compensated absences payable	(186,731)
Less: landfill postclosure care costs	(99,245)
Less: net OPEB liability	(262,391)
Less: accrued interest payable	(101,744)
Less: unamortized premium on debt	<u>(2,419,252)</u>
	(33,596,976)
(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	\$ 1,729,810
Less: deferred inflows of resources related to pensions	(3,361,303)
Add: deferred outflows of resources related to OPEB	53,812
Less: deferred inflows of resources related to OPEB	<u>(226,975)</u>
	(1,804,656)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.	5,079,781
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	<u>1,009,080</u>
Net position of governmental activities (Exhibit A)	<u>\$ 10,440,667</u>

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

Exhibit C-3

Hardin County, Tennessee

Statement of Revenues, Expenditures,  
and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Rural Debt Service	Other Govern- mental Funds		
<b>Revenues</b>						
Local Taxes	\$ 8,492,556	\$ 1,007,180	\$ 555,153	\$ 1,639,672	\$ 11,694,561	
Licenses and Permits	101,760	0	0	0	0	101,760
Fines, Forfeitures, and Penalties	122,154	0	0	8,539	130,693	
Charges for Current Services	172,117	0	0	387,732	559,849	
Other Local Revenues	488,137	8,342	4,070	149,712	650,261	
Fees Received From County Officials	1,596,600	0	0	0	1,596,600	
State of Tennessee	3,329,901	3,770,763	0	100,983	7,201,647	
Federal Government	60,197	0	0	0	60,197	
Other Governments and Citizens Groups	133,970	0	2,602,530	647,334	3,383,834	
<b>Total Revenues</b>	<b>\$ 14,497,392</b>	<b>\$ 4,786,285</b>	<b>\$ 3,161,753</b>	<b>\$ 2,933,972</b>	<b>\$ 25,379,402</b>	
<b>Expenditures</b>						
Current:						
General Government	\$ 1,400,395	\$ 0	\$ 0	\$ 0	\$ 1,400,395	
Finance	884,950	0	0	0	884,950	
Administration of Justice	723,790	0	0	0	723,790	
Public Safety	5,459,718	0	0	49,151	5,508,869	
Public Health and Welfare	692,511	0	0	1,943,689	2,636,200	
Social, Cultural, and Recreational Services	379,307	0	0	0	379,307	
Agriculture and Natural Resources	134,830	0	0	0	134,830	
Other Operations	3,881,771	0	0	197,896	4,079,667	
Highways	0	4,756,647	0	0	4,756,647	
Debt Service:						
Principal on Debt	124,242	0	1,465,000	1,199,144	2,788,386	
Interest on Debt	18,956	0	945,025	228,138	1,192,119	
Other Debt Service	0	0	6,034	34,197	40,231	
<b>Total Expenditures</b>	<b>\$ 13,700,470</b>	<b>\$ 4,756,647</b>	<b>\$ 2,416,059</b>	<b>\$ 3,652,215</b>	<b>\$ 24,525,391</b>	

(Continued)

Exhibit C-3

Hardin County, Tennessee

Statement of Revenues, Expenditures,

and Changes in Fund Balances

Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	Rural Debt Service	Other Govern- mental Funds		
Excess (Deficiency) of Revenues Over Expenditures	\$ 796,922	\$ 29,638	\$ 745,694	\$ (718,243)	\$ 854,011	
<b>Other Financing Sources (Uses)</b>						
Other Loans Issued	\$ 288,278	\$ 0	\$ 0	\$ 268,929	\$ 557,207	
Insurance Recovery	167,800	0	0	67,484	235,284	
Transfers In	0	0	0	817,794	817,794	
Transfers Out	(614,994)	(202,800)	0	0	(817,794)	
Total Other Financing Sources (Uses)	\$ (158,916)	\$ (202,800)	\$ 0	\$ 1,154,207	\$ 792,491	
Net Change in Fund Balances	\$ 638,006	\$ (173,162)	\$ 745,694	\$ 435,964	\$ 1,646,502	
Fund Balance, July 1, 2021	6,953,717	2,779,409	3,674,234	2,905,574	16,312,934	
Fund Balance, June 30, 2022	<u>\$ 7,591,723</u>	<u>\$ 2,606,247</u>	<u>\$ 4,419,928</u>	<u>\$ 3,341,538</u>	<u>\$ 17,959,436</u>	

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

Exhibit C-4

Hardin County, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 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)		\$ 1,646,502
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,255,060	
Less: current-year depreciation expense	<u>(2,865,458)</u>	389,602
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 383,670	
Less: proceeds received on disposal of capital assets	<u>(240,709)</u>	142,961
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 1,009,080	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(1,000,548)</u>	8,532
(4) 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 effect of these differences in the treatment of long-term debt and related items.		
Less: change in deferred amount on refunding	\$ (70,286)	
Add: change in premium on debt issuances	40,224	
Add: principal payments on note	23,917	
Add: principal payments on bonds	2,005,000	
Add: principal payments on other loans	439,469	
Less: other loan proceeds	<u>(557,207)</u>	
Less: contributions from the school department for other loans	<u>(245,025)</u>	1,636,092
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 8,249	
Change in compensated absences payable	<u>(3,143)</u>	
Change in landfill postclosure care costs	183,459	
Change in net OPEB liability	78,064	
Change in deferred outflows related to OPEB	<u>(3,545)</u>	
Change in deferred inflows related to OPEB	<u>(75,879)</u>	
Change in net pension asset	2,983,895	
Change in deferred outflows related to pensions	1,009,163	
Change in deferred inflows related to pensions	<u>(3,114,123)</u>	<u>1,066,140</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,889,829</u>

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

Exhibit C-5

Hardin County, Tennessee

Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 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	
<b>Revenues</b>							
Local Taxes	\$ 8,492,556	\$ 0	\$ 0	\$ 8,492,556	\$ 8,026,393	\$ 8,206,393	\$ 286,163
Licenses and Permits	101,760	0	0	101,760	110,300	110,300	(8,540)
Fines, Forfeitures, and Penalties	122,154	0	0	122,154	77,111	79,636	42,518
Charges for Current Services	172,117	0	0	172,117	125,350	159,100	13,017
Other Local Revenues	488,137	0	0	488,137	201,500	347,814	140,323
Fees Received From County Officials	1,596,600	0	0	1,596,600	1,314,950	1,318,950	277,650
State of Tennessee	3,329,901	0	0	3,329,901	2,780,072	3,107,280	222,621
Federal Government	60,197	0	0	60,197	37,500	94,585	(34,388)
Other Governments and Citizens Groups	133,970	0	0	133,970	93,500	118,196	15,774
Total Revenues	\$ 14,497,392	\$ 0	\$ 0	\$ 14,497,392	\$ 12,766,676	\$ 13,542,254	\$ 955,138
<b>Expenditures</b>							
<u>General Government</u>							
County Commission	\$ 69,348	\$ 0	\$ 1,325	\$ 70,673	\$ 83,555	\$ 83,555	\$ 12,882
Board of Equalization	1,560	0	0	1,560	3,625	3,625	2,065
Beer Board	3,361	0	0	3,361	4,075	4,075	714
Other Boards and Committees	200	0	0	200	1,700	1,700	1,500
County Mayor/Executive	170,360	(3,303)	67	167,124	168,971	168,971	1,847
County Attorney	18,408	0	0	18,408	5,000	18,500	92
Election Commission	183,648	0	0	183,648	165,223	219,409	35,761
Register of Deeds	162,950	(1,237)	0	161,713	161,948	162,293	580
County Buildings	790,560	(16,625)	9,631	783,566	797,998	802,824	19,258
<u>Finance</u>							
Accounting and Budgeting	166,168	(942)	413	165,639	174,836	174,836	9,197
Property Assessor's Office	184,081	0	0	184,081	204,399	204,399	20,318
Reappraisal Program	58,509	0	0	58,509	58,629	62,529	4,020
County Trustee's Office	184,497	0	0	184,497	199,514	199,560	15,063
County Clerk's Office	291,695	0	0	291,695	311,465	314,465	22,770
<u>Administration of Justice</u>							
Circuit Court	395,707	(2,390)	0	393,317	349,601	413,078	19,761

(Continued)

Exhibit C-5

Hardin County, Tennessee

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)					
					Original	Final						
<b>Expenditures (Cont.)</b>												
<u>Administration of Justice (Cont.)</u>												
General Sessions Court	\$ 166,174	\$ 0	\$ 0	\$ 166,174	\$ 169,112	\$ 169,112	\$ 2,938					
Drug Court	6,717	(5,900)	6,368	7,185	4,660	7,185	0					
Chancery Court	155,192	(139)	6,918	161,971	167,610	167,610	5,639					
<u>Public Safety</u>												
Sheriff's Department	2,133,740	(2,032)	0	2,131,708	2,010,595	2,287,494	155,786					
Traffic Control	18,202	0	0	18,202	9,780	32,600	14,398					
Administration of the Sexual Offender Registry	699	(104)	0	595	2,800	2,800	2,205					
Jail	1,626,932	(16,863)	1,136	1,611,205	1,693,644	1,750,871	139,666					
Juvenile Services	127,080	(481)	0	126,599	136,176	136,176	9,577					
Fire Prevention and Control	1,129,229	(670)	2,199	1,130,758	697,604	1,143,465	12,707					
Civil Defense	133,412	(678)	0	132,734	105,829	133,588	854					
Other Public Safety	290,424	0	0	290,424	290,458	290,458	34					
<u>Public Health and Welfare</u>												
Local Health Center	164,543	(118)	0	164,425	218,100	218,100	53,675					
Rabies and Animal Control	386,807	(681)	1,429	387,555	393,972	416,984	29,429					
Ambulance/Emergency Medical Services	2,613	0	0	2,613	154,900	154,900	152,287					
Alcohol and Drug Programs	11,690	0	0	11,690	70,000	70,000	58,310					
Crippled Children Services	2,005	0	0	2,005	2,005	2,005	0					
General Welfare Assistance	4,100	0	0	4,100	4,100	4,100	0					
Other Local Welfare Services	9,999	0	0	9,999	10,000	10,000	1					
Sanitation Education/Information	110,754	(237)	294	110,811	117,035	117,035	6,224					
<u>Social, Cultural, and Recreational Services</u>												
Senior Citizens Assistance	77,946	0	740	78,686	85,714	101,068	22,382					
Libraries	246,141	(3,356)	385	243,170	662,655	662,655	419,485					
Other Social, Cultural, and Recreational	55,220	0	0	55,220	58,500	60,220	5,000					
<u>Agriculture and Natural Resources</u>												
Agricultural Extension Service	62,964	0	0	62,964	93,516	93,516	30,552					
Forest Service	1,000	0	0	1,000	1,000	1,000	0					
Soil Conservation	28,492	0	0	28,492	28,492	28,492	0					

(Continued)

Exhibit C-5

Hardin County, Tennessee

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)					
					Original	Final						
<b>Expenditures (Cont.)</b>												
<u>Agriculture and Natural Resources (Cont.)</u>												
Flood Control	\$ 37,618	\$ 0	\$ 0	\$ 37,618	\$ 38,500	\$ 38,500	\$ 882					
Other Agriculture and Natural Resources	4,756	(300)	0	4,456	6,500	6,600	2,144					
<u>Other Operations</u>												
Tourism	403,950	(44,262)	39,557	399,245	250,000	430,000	30,755					
Tourism - Resort District	1,164,641	(82,098)	86,958	1,169,501	870,000	1,173,230	3,729					
Industrial Development	79,595	0	0	79,595	79,707	80,171	576					
Other Economic and Community Development	19,977	(3,165)	0	16,812	16,321	16,321	(491)					
Airport	43,850	0	0	43,850	36,750	43,850	0					
Veterans' Services	59,932	0	0	59,932	68,325	68,325	8,393					
Other Charges	347,378	0	0	347,378	334,224	350,289	2,911					
Contributions to Other Agencies	7,000	0	0	7,000	19,500	19,500	12,500					
Employee Benefits	1,721,713	0	0	1,721,713	1,915,839	1,955,037	233,324					
COVID-19 Grant #1	1,382	0	0	1,382	0	6,376	4,994					
COVID-19 Grant #2	3,659	(660)	0	2,999	0	3,000	1					
American Rescue Plan Act Grant #1	20,700	0	0	20,700	0	20,700	0					
Miscellaneous	7,994	(751)	0	7,243	9,500	9,500	2,257					
<u>Principal on Debt</u>												
General Government	124,242	0	0	124,242	0	124,242	0					
<u>Interest on Debt</u>												
General Government	18,956	0	0	18,956	0	18,958	2					
Total Expenditures	\$ 13,700,470	\$ (186,992)	\$ 157,420	\$ 13,670,898	\$ 13,523,962	\$ 15,259,852	\$ 1,588,954					
<b>Excess (Deficiency) of Revenues Over Expenditures</b>												
	\$ 796,922	\$ 186,992	\$ (157,420)	\$ 826,494	\$ (757,286)	\$ (1,717,598)	\$ 2,544,092					
<u>Other Financing Sources (Uses)</u>												
Other Loans Issued	\$ 288,278	\$ 0	\$ 0	\$ 288,278	\$ 0	\$ 288,278	\$ 0					
Insurance Recovery	167,800	0	0	167,800	0	153,876	13,924					
Transfers Out	(614,994)	0	0	(614,994)	(586,000)	(615,071)	77					
Total Other Financing Sources	\$ (158,916)	\$ 0	\$ 0	\$ (158,916)	\$ (586,000)	\$ (172,917)	\$ 14,001					

(Continued)

Exhibit C-5

Hardin County, Tennessee

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	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	\$ 638,006	\$ 186,992	\$ (157,420)	\$ 667,578	\$ (1,343,286)	\$ (1,890,515)	\$ 2,558,093
Fund Balance, July 1, 2021	6,953,717	(186,992)	0	6,766,725	5,752,619	5,752,619	1,014,106
Fund Balance, June 30, 2022	<u>\$ 7,591,723</u>	<u>\$ 0</u>	<u>\$ (157,420)</u>	<u>\$ 7,434,303</u>	<u>\$ 4,409,333</u>	<u>\$ 3,862,104</u>	<u>\$ 3,572,199</u>

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

Exhibit C-6

Hardin County, Tennessee

Statement of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Highway/Public Works Fund

For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 1,007,180	\$ 1,023,550	\$ 1,023,550	\$ (16,370)
Other Local Revenues	8,342	35,000	35,000	(26,658)
State of Tennessee	3,770,763	3,556,754	3,860,626	(89,863)
<b>Total Revenues</b>	<b>\$ 4,786,285</b>	<b>\$ 4,615,304</b>	<b>\$ 4,919,176</b>	<b>\$ (132,891)</b>
<b>Expenditures</b>				
<b>Highways</b>				
Administration	\$ 283,564	\$ 332,855	\$ 333,032	\$ 49,468
Highway and Bridge Maintenance	2,298,533	2,529,624	2,572,447	273,914
Operation and Maintenance of Equipment	517,027	515,359	583,919	66,892
Other Charges	187,384	219,975	219,975	32,591
Employee Benefits	351,483	440,903	440,903	89,420
Capital Outlay	1,118,656	1,318,325	1,629,697	511,041
<b>Principal on Debt</b>				
Highways and Streets	0	31,560	0	0
<b>Total Expenditures</b>	<b>\$ 4,756,647</b>	<b>\$ 5,388,601</b>	<b>\$ 5,779,973</b>	<b>\$ 1,023,326</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,638	\$ (773,297)	\$ (860,797)	\$ 890,435
<b>Other Financing Sources (Uses)</b>				
Transfers Out	\$ (202,800)	\$ (202,800)	\$ (202,800)	0
<b>Total Other Financing Sources</b>	<b>\$ (202,800)</b>	<b>\$ (202,800)</b>	<b>\$ (202,800)</b>	<b>0</b>
Net Change in Fund Balance	\$ (173,162)	\$ (976,097)	\$ (1,063,597)	\$ 890,435
Fund Balance, July 1, 2021	2,779,409	2,093,723	2,093,723	685,686
<b>Fund Balance, June 30, 2022</b>	<b>\$ 2,606,247</b>	<b>\$ 1,117,626</b>	<b>\$ 1,030,126</b>	<b>\$ 1,576,121</b>

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

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

Business-type Activities -
Major Enterprise
Enterprise Fund
Park Rest
Hardin County
Health Center

ASSETS

## Current Assets:

Cash	\$ 885,082
Inventories	23,504
Accounts Receivable	304,869
Due from Hardin Home	590,424
Prepaid Items	12,697
Restricted Assets:	
Patient Trust	64,161
Total Current Assets	<u>\$ 1,880,737</u>

## Noncurrent Assets:

Capital Assets:	
Assets Not Depreciated:	
Land	\$ 26,700
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	115,755
Other Capital Assets	22,849
Total Noncurrent Assets	<u>\$ 165,304</u>
Total Assets	<u>\$ 2,046,041</u>

LIABILITIES

## Liabilities:

Accounts Payable	\$ 60,205
Accrued Management Fee	864,736
Other Accrued Expenses	93,135
Current Liabilities Payable from Restricted Assets:	
Patient Trust	64,161
Total Liabilities	<u>\$ 1,082,237</u>

NET POSITION

Net Investment in Capital Assets	\$ 165,304
Unrestricted	<u>798,500</u>
Total Net Position	<u>\$ 963,804</u>

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

## Exhibit D-2

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

Business-type Activities - Major Enterprise Fund	Park Rest Hardin County Health Center
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Patient Revenues	\$ 3,469,881
Nursing Facility COVID-19 Emergency Payments	286,452
COVID-19 Provider Relief Funds	316,764
Allowance for Doubtful Accounts Adjustment	<u>(289,736)</u>
Total Operating Revenues	<u>\$ 3,783,361</u>
<u>Operating Expenses</u>	
Administrative	\$ 1,108,314
Dietary	424,176
Housekeeping	158,356
Laundry	125,518
Operation and Maintenance	155,344
Nursing	1,321,230
Social Service	113,220
Depreciation	<u>36,339</u>
Total Operating Expenses	<u>\$ 3,442,497</u>
Operating Income (Loss)	<u>\$ 340,864</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 1,788
Total Nonoperating Revenues (Expenses)	<u>\$ 1,788</u>
Net Income (Loss)	<u>\$ 342,652</u>
Change in Net Position	\$ 342,652
Net Position, July 1, 2021	<u>621,152</u>
Net Position, June 30, 2022	<u>\$ 963,804</u>

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

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

Business-type Activities - Major Enterprise Fund	Park Rest Hardin County Health Center
<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from Patient Services	\$ 3,428,756
Payments to Suppliers	(1,387,761)
Payments to Employees	(2,187,100)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (146,105)</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Acquisition of Capital Assets	\$ (6,619)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (6,619)</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest Income	\$ 1,788
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,788</u>
Net Increase (Decrease) in Cash	\$ (150,936)
Cash, July 1, 2021	<u>1,036,018</u>
Cash, June 30, 2022	<u>\$ 885,082</u>
<b><u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u></b>	
Operating Income	\$ 340,864
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	36,339
Changes in Assets and Liabilities:	
Inventories	(6,078)
Accounts Receivable	(37,841)
Due from Hardin Home	(50,068)
Prepaid Items	1,368
Accounts Payable	6,105
Accrued Management Fee	(130,832)
Other Accrued Expenses	10,802
Deferred Revenues	<u>(316,764)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (146,105)</u>
<b><u>Reconciliation of Cash With the Statement of Net Position</u></b>	
Cash Per Net Position	\$ 885,082
Cash, June 30, 2022	<u>\$ 885,082</u>

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

Exhibit E-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 720,916
Due from Other Governments	<u>926,985</u>
 Total Assets	 <u>\$ 1,647,901</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ <u>926,985</u>
 Total Liabilities	 <u>\$ 926,985</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 720,916</u>
 Total Net Position	 <u>\$ 720,916</u>

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

Hardin County, Tennessee  
Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 5,013,475
Fines/Fees and Other Collections	8,301,927
Total Additions	<u>\$ 13,315,402</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 5,013,475
Payments to State	4,951,401
Payments to Cities, Individuals, and Others	3,131,915
Total Deductions	<u>\$ 13,096,791</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 218,611
Net Position, July 1, 2021	<u>502,305</u>
Net Position, June 30, 2022	<u>\$ 720,916</u>

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

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## HARDIN COUNTY, TENNESSEE

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

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

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

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

The Hardin County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Hardin County Emergency Communications District, Hardin Medical Center, and Hardin County Convention and Visitors Bureau can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

Hardin Medical Center  
935 Wayne Road  
Savannah, TN 38372

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

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

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

of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Hardin County School Department component unit only reports governmental activities in the government-wide financial statements.

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

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

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements of the discretely presented Hardin County School Department, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Hardin County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into

three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Hardin County only reports one proprietary fund, a major enterprise fund, and the discretely presented school department reports one proprietary fund, an internal service fund.

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

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

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

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

Hardin County reports the following major governmental funds:

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

**Other Special Revenue Fund** – This special revenue fund accounts for the proceeds received from the American Rescue Plan Act.

**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.

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

Hardin County reports the following major enterprise fund:

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

Additionally, Hardin County reports the following fund type:

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

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

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

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

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

**Capital Projects Fund** – The Education Capital Projects Fund accounts for the receipt of debt issued by Hardin County and contributed to the school department for building construction and renovation and the acquisition of other major capital assets.

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

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

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows, cash in the internal service fund of the discretely presented Hardin County School Department consists entirely of cash on deposit with the county trustee.

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

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

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

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Hardin County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

## **2. Receivables and Payables**

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.99 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 Hardin County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Hardin County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Hardin County School Department has not withdrawn any funds from the trust to pay

pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

#### 4. **Capital Assets**

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
<b>Primary Government:</b>	
Buildings and Improvements	25
Other Capital Assets	5 - 10
<b>Infrastructure:</b>	
Roads	10 - 20
Bridges	30
<b>School Department:</b>	
Land Improvements	20
Buildings and Improvements	25
Other Capital Assets	5 - 15

## **5. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. 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 changes in experience, pension and OPEB changes in assumptions, pension 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 county's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. The Hardin County Highway Department allows its employees to accrue no more than five vacation days at year-end, except with special permission from the highway commissioner. All vacation pay for the primary government is accrued when incurred in the government-wide statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The granting of sick leave for employees of Hardin County has no guaranteed payment attached and therefore is not required to be accrued or recorded.

It is the school department's policy to permit professional employees to accumulate an unlimited amount of earned but unused sick leave days and support staff to accumulate earned but unused sick leave up to 120 days. Upon leaving employment, professional employees and support staff receive \$10 per day for unused sick days. The policy permits 12-month support staff to accumulate an unlimited amount of earned but unused annual and sick leave days. Upon leaving employment, 12-month support staff are compensated at their daily rate of pay for unused annual and sick leave. All annual and sick leave benefits for the school department are accrued when incurred in the government-wide statements. A liability for annual and sick pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

## **7. Long-term Debt and Long-term Obligations**

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

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

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

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

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

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

The government-wide Statement of Net Position reports \$13,140,628 of restricted net position, of which \$190,647 is restricted by enabling legislation.

As of June 30, 2022, Hardin County had \$24,080,148 in outstanding debt for capital purposes for the discretely presented Hardin County School Department. This debt is a liability of Hardin County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Hardin County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

## **E. Pension Plans**

### **Primary Government**

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

### **Discretely Presented Hardin County School Department**

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

#### **F. Other Postemployment Benefit (OPEB) Plans**

##### **Primary Government**

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

##### **Discretely Presented Hardin County School Department**

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

## **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

##### **Primary Government**

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

### **Discretely Presented Hardin County School Department**

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

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

##### **Primary Government**

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

##### **Discretely Presented Hardin County School Department**

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

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, Other Boards and Committees, etc.). Management may make revisions within major categories, but only the county

commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2022, Hardin County had outstanding encumbrances in the General and Drug Control funds totaling \$157,420 and \$10,882, respectively.

**B. Investigation**

An investigation report by the Comptroller's Division of Investigations disclosed that the former road superintendent used department funds for work performed on private property, violated county bid procedures, and falsified invoices to purchase a truck during the period from January 1, 2020, through September 30, 2021. The investigation also reported that the Hardin County Road Commission Board failed to provide adequate oversight. Details of the findings and recommendations related to the investigation can be found in a report dated July 29, 2022, at [www.comptroller.tn.gov/ia](http://www.comptroller.tn.gov/ia).

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

**Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 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.

The county had no pooled and nonpooled investments as of June 30, 2022.

### **TCRS Stabilization Trust**

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

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Hardin County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 72,377
Developed Market International Equity	N/A	N/A	32,686
Emerging Market International Equity	N/A	N/A	9,339
U.S. Fixed Income	N/A	N/A	46,694
Real Estate	N/A	N/A	23,347
Short-term Securities	N/A	N/A	2,335
NAV- Private Equity and Strategic Lending	N/A	N/A	<u>46,694</u>
Total			<u>\$ 233,472</u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

## B. Lease Receivables

On February 20, 2019, Hardin County entered into a lease agreement for the use of a stockyard. The lease expires February 19, 2024, with an option to extend. Hardin County will receive \$1.50 per cattle sold, \$.50 per hog sold, \$1.50 per horse sold, and \$.50 per goat sold. In no event shall the rent be less than \$30,000 per year. Since future receipts are based on the number of livestock sold, Hardin County did not record a lease receivable and a deferred inflows of resources for this lease.

On January 1, 2022, Hardin County entered into a lease agreement for the use of a nursing home facility. The lease expires December 31, 2024, with an option to extend. Hardin County will receive three percent of gross revenues. Since future receipts are variable based on the percentage of gross revenues, Hardin County did not record a lease receivable and a deferred inflows of resources for this lease.

## C. 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	\$ 2,575,249	\$ 0	\$ 0	\$ 2,575,249
Construction in Progress	192,257	0	136,570	55,687
Total Capital Assets Not Depreciated	<u>\$ 2,767,506</u>	<u>\$ 0</u>	<u>\$ 136,570</u>	<u>\$ 2,630,936</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 17,544,006	\$ 34,229	\$ 0	\$ 17,578,235
Infrastructure	45,654,551	2,102,204	1,714,473	46,042,282
Other Capital Assets	15,696,699	1,638,867	634,429	16,701,137
Total Capital Assets Depreciated	<u>\$ 78,895,256</u>	<u>\$ 3,775,300</u>	<u>\$ 2,348,902</u>	<u>\$ 80,321,654</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,383,184	\$ 577,507	\$ 0	\$ 9,960,691
Infrastructure	38,402,881	1,256,381	1,557,742	38,101,520
Other Capital Assets	12,615,258	1,031,570	550,451	13,096,377
Total Accumulated Depreciation	<u>\$ 60,401,323</u>	<u>\$ 2,865,458</u>	<u>\$ 2,108,193</u>	<u>\$ 61,158,588</u>
Total Capital Assets Depreciated, Net	<u>\$ 18,493,933</u>	<u>\$ 909,842</u>	<u>\$ 240,709</u>	<u>\$ 19,163,066</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,261,439</u>	<u>\$ 909,842</u>	<u>\$ 377,279</u>	<u>\$ 21,794,002</u>

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

**Governmental Activities:**

General Government	\$ 45,019
Finance	12,672
Administration of Justice	13,775
Public Safety	818,101
Public Health and Welfare	310,679
Social, Cultural, and Recreational Services	96,926
Agriculture and Natural Resources	24,804
Highways/Public Works	<u>1,543,482</u>
 Total Depreciation Expense -	
Governmental Activities	<u>\$ 2,865,458</u>

**Net Investment in Capital Assets**

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Capital Assets	\$ 21,794,002
Less:	
Outstanding principal of capital debt and other capital borrowings	(1,006,640)
Outstanding principal balance of debt and other borrowing used to refund capital-related debt	(7,400,000)
Unamortized balance of original issue premiums on outstanding capital-related debt	(135,103)
Net Investment in Capital Assets	<u>\$ 13,252,259</u>

**Discretely Presented Hardin County School Department**

**Governmental Activities:**

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 1,217,760	\$ 0	\$ 0	\$ 1,217,760
Construction in Progress	1,420,079	135,473	1,420,079	135,473
Total Capital Assets Not Depreciated	<u>\$ 2,637,839</u>	<u>\$ 135,473</u>	<u>\$ 1,420,079</u>	<u>\$ 1,353,233</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 72,621,632	\$ 4,320,189	\$ 323,668	\$ 76,618,153
Other Capital Assets	2,672,952	103,649	0	2,776,601
Total Capital Assets Depreciated	<u>\$ 75,294,584</u>	<u>\$ 4,423,838</u>	<u>\$ 323,668</u>	<u>\$ 79,394,754</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 42,431,476	\$ 2,604,854	\$ 181,799	\$ 44,854,531
Other Capital Assets	2,124,059	118,731	0	2,242,790
Total Accumulated Depreciation	<u>\$ 44,555,535</u>	<u>\$ 2,723,585</u>	<u>\$ 181,799</u>	<u>\$ 47,097,321</u>
Total Capital Assets Depreciated, Net	<u><u>\$ 30,739,049</u></u>	<u><u>\$ 1,700,253</u></u>	<u><u>\$ 141,869</u></u>	<u><u>\$ 32,297,433</u></u>
Governmental Activities Capital Assets, Net	<u><u>\$ 33,376,888</u></u>	<u><u>\$ 1,835,726</u></u>	<u><u>\$ 1,561,948</u></u>	<u><u>\$ 33,650,666</u></u>

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

**Governmental Activities:**

Instruction	\$ 1,817,508
Support Services	619,712
Operation of Non-instructional Services	<u>286,365</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,723,585</u></u>

#### **D. 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	\$        613

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

##### **Due to/from Primary Government and Component Unit:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:	Component Unit:	
Governmental Activities	School Department:	
Rural Debt Service	Governmental Activities	\$    1,470,148
General Debt Service	General Purpose School	424,143
	Hardin County Medical Center	3,694

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

##### **Interfund Transfers:**

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

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>Nonmajor Governmental Fund</u>	<u>Purpose</u>
General Fund	\$    70,000	Operations
"	544,994	Debt retirement
Highway/Public Works Fund	202,800	"
 Total	 \$ <u>817,794</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.

**E. Long-term Debt**

**Primary Government**

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

**General Obligation Bonds** - Hardin County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2022, will be retired from the General Debt Service and Rural Debt Service funds.

**Direct Borrowing and Direct Placements** - Hardin County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities. The capital outlay note and other loans outstanding were issued for original terms of ten years for the note and up to 14 years for the other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note and other loans included in long-term debt as of June 30, 2022, will be retired from the General and General Debt Service funds.

General obligation bonds, capital outlay note, and other loans 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
<b>General Obligation Bonds -</b>				
Refunding	2 to 5	% 6-1-39	\$ 37,075,000	\$ 30,010,000
<b>Direct Borrowing and Direct Placement:</b>				
Capital Outlay Note	2.75	12-4-27	250,000	158,151
Other Loans - Fixed rate	1 to 3.79	6-7-31	4,527,676	2,318,637

Terms of other loan obligations outstanding at June 30, 2022, were as follows:

Description	Date of Lease	Length of Lease in Years	Gross Amount of Assets	Interest Rate	
				%	%
Energy Management Project	6-20-12	14	\$ 1,782,319	3.05	%
Commercial Pumper	3-31-14	9	241,750	3.79	
Energy Efficiency Improvements	7-14-16	13	1,330,336	1.00	
Commercial Pumper	4-18-17	9	418,200	2.98	
Fire Tanker	10-21-19	7	197,834	2.95	
Freightliner Pumper	1-7-22	9	288,278	3.30	
Front Loader	1-7-22	3	268,959	3.48	

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

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 2,035,000	\$ 1,039,775	\$ 3,074,775
2024	2,105,000	954,675	3,059,675
2025	2,170,000	866,375	3,036,375
2026	2,205,000	775,125	2,980,125
2027	1,850,000	682,425	2,532,425
2028-2032	8,415,000	2,401,363	10,816,363
2033-2037	8,710,000	1,131,325	9,841,325
2038-2039	2,520,000	113,400	2,633,400
<b>Total</b>	<b>\$ 30,010,000</b>	<b>\$ 7,964,463</b>	<b>\$ 37,974,463</b>

Year Ending June 30	Note - Direct Placement		
	Principal	Interest	Total
2023	\$ 24,584	\$ 4,410	\$ 28,994
2024	25,270	3,725	28,995
2025	25,966	3,028	28,994
2026	26,698	2,296	28,994
2027	27,442	1,552	28,994
2028	28,191	786	28,977
<b>Total</b>	<b>\$ 158,151</b>	<b>\$ 15,797</b>	<b>\$ 173,948</b>

  

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2023	\$ 435,526	\$ 47,559	\$ 483,085
2024	418,632	42,541	461,173
2025	429,518	27,947	457,465
2026	369,747	19,134	388,881
2027	299,043	10,376	309,419
2028-2031	366,171	13,009	379,180
<b>Total</b>	<b>\$ 2,318,637</b>	<b>\$ 160,566</b>	<b>\$ 2,479,203</b>

There is \$6,909,177 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$1,118, based on the 2020 federal census. Total debt per capita, including bonds, the note, other loans, and unamortized debt premiums totaled \$1,301, based on the 2020 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. The capital lease and other loan debt are reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

<u>Description of Indebtedness</u>	Outstanding 6-30-22
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Bonds

Contributions from the General Purpose School Fund

General Obligation Refunding Bonds, Series 2019	\$ 22,610,000
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Other Loans

Contributions from the General Purpose School Fund

Energy Management Project	665,673
Energy Efficient School Initiative	<u>804,475</u>

Total	<u>\$ 24,080,148</u>
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Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Note - Direct Placement
Balance, July 1, 2021	\$ 32,015,000	\$ 182,068
Reductions	<u>(2,005,000)</u>	<u>(23,917)</u>
Balance, June 30, 2022	<u>\$ 30,010,000</u>	<u>\$ 158,151</u>
Balance Due Within One Year	<u>\$ 2,035,000</u>	<u>\$ 24,584</u>

	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 2,200,899
Additions	557,207
Reductions	<u>(439,469)</u>
Balance, June 30, 2022	<u>\$ 2,318,637</u>
Balance Due Within One Year	<u>\$ 435,526</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 32,486,788
Less: Balance Due Within One Year - Debt	(2,495,110)
Add: Unamortized Premium on Debt	<u>2,419,252</u>

Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 32,410,930</u>
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**F. Long-term Obligations**

Changes in Long-term Obligations

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

Governmental Acitivites:

	Landfill	Compensated Absences	Postclosure Care Costs	Net OPEB Liability
Balance, July 1, 2021	\$ 183,588	\$ 282,704	\$ 340,455	
Additions	238,529	0	50,422	
Reductions	<u>(235,386)</u>	<u>(183,459)</u>	<u>(128,486)</u>	
Balance, June 30, 2022	<u>\$ 186,731</u>	<u>\$ 99,245</u>	<u>\$ 262,391</u>	
Balance Due Within One Year	<u>\$ 172,994</u>	<u>\$ 19,067</u>	<u>\$ 0</u>	

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 548,367
Less: Balance Due Within One Year - Other	<u>(192,061)</u>

Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 356,306</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

## **Discretely Presented Hardin County School Department**

### **Changes in Long-term Obligations**

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

#### Governmental Activities:

	Compensated Absences	Net OPEB Liability
Balance, July 1, 2021	\$ 517,643	\$ 6,429,897
Additions	56,606	424,959
Reductions	(61,239)	(798,503)
Balance, June 30, 2022	<u>\$ 513,010</u>	<u>\$ 6,056,353</u>
Balance Due Within One Year	<u>\$ 25,650</u>	<u>0</u>

#### Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2022	\$ 6,569,363
Less: Balance Due Within One Year - Other	<u>(25,650)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 6,543,713</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hardin County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2022, were \$123,077. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## **V. OTHER INFORMATION**

### **A. Risk Management**

#### **Primary Government**

##### **Liability, Property, and Casualty**

Hardin County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

##### **Workers' Compensation Insurance**

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

##### **Employee Health Insurance**

Hardin County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *TCA*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

#### **Discretely Presented Hardin County School Department**

##### **Liability, Property, Casualty, and Workers' Compensation Insurance**

The discretely presented Hardin County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability

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

#### Employee Health Insurance

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

#### Employee Dental Insurance

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

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

#### Employee Insurance Fund

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-end
2020-21	\$ 0	\$ 199,874	\$ 188,113	\$ 11,761
2021-22	11,761	205,047	190,913	25,895

## 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.

Hardin County is contingently liable for an \$8,000,000 loan agreement dated July 29, 2003, for improvements to the Hardin Medical Center. Hardin County would become liable for this loan and the interest thereon in the event of default by the medical center. The principal of this loan agreement is reflected

on the financial statements of the Hardin Medical Center. As of June 30, 2022, \$4,600,000 has been repaid leaving a balance of \$3,400,000. Future principal requirements for the entire loan at June 30, 2022, were \$3,400,000. The loan is repayable at a variable interest rate that is determined by the remarketing agent weekly. At June 30, 2022, the variable interest rate was .57 percent.

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

**D. Change in Administration**

On September 30, 2021, Steve Cromwell left the Office of Highway Commissioner and was succeeded by Wesley Jerrolds effective January 20, 2022.

**E. Landfill Postclosure Care Costs**

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

State and federal laws and regulations require the entities to place a final cover on their sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Hardin County and the City of Savannah closed their sanitary landfill in 1998. Hardin County and the City of Savannah each agreed to pay 50 percent of the postclosure costs. The \$99,245 reported as postclosure care liability at June 30, 2022, represents the county's 50 percent share of the amounts based on what it would cost to perform all postclosure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

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

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District, Benton, Carroll, Decatur, Hardin, and Henry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Hardin County made no contributions to the DTF for the year ended June 30, 2022.

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

Administrative Offices:

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

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

**G. Retirement Commitments**

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

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Hardin County and non-certified employees of the discretely presented Hardin County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 69.92 percent and the non-certified employees of the discretely presented school department comprised 30.08 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	254
Inactive Employees Entitled to But Not Yet Receiving Benefits	324
Active Employees	292
<hr/> Total	<hr/> 870

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Hardin County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the

year ended June 30, 2022, the employer contribution for Hardin County was \$584,792 based on a rate of seven percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hardin County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Net Pension Liability (Asset)**

Hardin County's net pension liability (asset) was measured as of June 30, 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%

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	Long-term Expected Real Rate of Return	Percentage	Target Allocations
U.S. Equity	4.88	%	31
Developed Market			%
International Equity	5.37		14
Emerging Market			
International Equity	6.09		4
Private Equity and			
Strategic Lending	6.57		20
U.S. Fixed Income	1.20		20
Real Estate	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 Hardin County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2020	\$ 29,685,412	\$ 32,684,248	\$ (2,998,836)
Changes for the Year:			
Service Cost	\$ 700,719	\$ 0	\$ 700,719
Interest	2,151,018	0	2,151,018
Differences Between Expected and Actual Experience	(271,122)	0	(271,122)
Changes in Assumptions	2,458,142	0	2,458,142
Contributions-Employer	0	561,571	(561,571)
Contributions-Employees	0	402,184	(402,184)
Net Investment Income	0	8,367,506	(8,367,506)
Benefit Payments, Including Refunds of Employee Contributions	(1,433,822)	(1,433,822)	0
Administrative Expense	0	(26,206)	26,206
Net Changes	\$ 3,604,935	\$ 7,871,233	\$ (4,266,298)
Balance, June 30, 2021	\$ 33,290,347	\$ 40,555,481	\$ (7,265,134)

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

		Plan	Net
	Total	Fiduciary	Pension
	Pension	Net	Liability
	Liability	Position	(Asset)
Primary Government	69.92%	\$ 23,276,611	\$ 28,356,392
School Department	30.08%	10,013,736	12,199,089
Total		\$ 33,290,347	\$ 40,555,481
			\$ (7,265,134)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Hardin County calculated using the discount rate of 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
<u>Hardin County</u>	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (3,136,709) \$ (7,265,134) \$ (10,712,742)

**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, Hardin County recognized pension expense (negative pension expense) of (\$697,472).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 72,019	\$ 343,907
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,463,448
Changes in Assumptions	1,843,606	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	584,792	N/A
<b>Total</b>	<b>\$ 2,500,417</b>	<b>\$ 4,807,355</b>

(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	\$ 1,729,810	\$ 3,361,303
School Department	<u>770,607</u>	<u>1,446,052</u>
Total	<u>\$ 2,500,417</u>	<u>\$ 4,807,355</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	\$ (687,519)
2024	(488,323)
2025	(512,710)
2026	(1,203,178)
2027	0
Thereafter	0

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

**Discretely Presented Hardin County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Hardin County and non-certified employees of the discretely presented Hardin County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 69.92 percent and the non-certified employees of the discretely presented school department comprised 30.08 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

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

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to 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 \$63,768, which is 2.01 percent of covered payroll. In addition, employer contributions of \$61,834, 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 (\$223,266) 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 .206115 percent. The proportion as of June 30, 2020, was .203874 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2022, the school department recognized pension expense of \$26,161.

*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	\$ 3,884	\$ 40,853
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	0	128,518
Changes in Assumptions	80,530	0
Changes in Proportion of Net Pension Liability (Asset)	3,448	13,348
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	63,768	N/A
<b>Total</b>	<b>\$ 151,630</b>	<b>\$ 182,719</b>

The school department's employer contributions of \$63,768, 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	\$ (29,181)
2024	(28,478)
2025	(28,277)
2026	(31,511)
2027	2,768
Thereafter	19,822

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%

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	4.88 %	31 %
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
 Total	 <hr/>	 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%
Net Pension Liability (Asset) \$ 76,753	\$ (223,266)	\$ (444,542)	

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

### **Teacher Legacy Pension Plan**

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

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

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

death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to 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 Hardin County School Department for the year ended June 30, 2022, to the Teacher Legacy Pension Plan were \$1,261,740, 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 (\$16,226,394) 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 .376200 percent. The proportion measured at June 30, 2020, was .363249 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$2,560,950).

*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	\$ 54,530	\$ 1,353,334
Changes in Assumptions	4,335,421	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	12,940,187
Changes in Proportion of Net Pension Liability (Asset)	0	71,752
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	1,261,740	N/A
<b>Total</b>	<b>\$ 5,651,691</b>	<b>\$ 14,365,273</b>

The school department's employer contributions of \$1,261,740 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
2023	\$ (2,380,187)
2024	(2,252,994)
2025	(1,849,957)
2026	(3,492,184)
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%

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	4.88 %	31 %
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
<b>Total</b>		<b>100 %</b>

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	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (2,887,752) \$ (16,226,394) \$ (27,326,805)

*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 \$158,627 and teachers contributed \$83,204 to this deferred compensation pension plan.

## H. Other Postemployment Benefits (OPEB)

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

### **OPEB Provided through State Administered Public Entity Risk Pools**

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

The county and school department's total OPEB liability for each plan was measured as of June 30, 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 each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
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 under each plan

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.

### **Local Government OPEB Plan (Primary Government)**

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

*Benefits Provided.* Hardin County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-701, TCA, establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Hardin County does not provide a direct subsidy and is only subject to the implicit subsidy.

### Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	139
Total	<u><u>141</u></u>

An insurance committee, created in accordance with Section 8-27-701, *TCA*, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2022, the county paid \$13,849 to the LGP for OPEB benefits as they came due.

### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2020	<u><u>\$ 340,455</u></u>
Changes for the Year:	
Service Cost	\$ 42,072
Interest	8,350
Difference between Expected and Actuarial Experience	(39,289)
Changes in Assumption and Other Inputs	(79,715)
Benefit Payments	(9,482)
Net Changes	<u><u>\$ (78,064)</u></u>
Balance June 30, 2021	<u><u>\$ 262,391</u></u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2022, the county recognized OPEB expense of \$15,209. At June 30, 2022, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 149,881
Changes of Assumptions/Inputs	39,963	77,094
Net Difference Between Projected and Benefits Paid After the Measurement Date of June 30, 2021	<u>13,849</u>	0
<b>Total</b>	<b><u>\$ 53,812</u></b>	<b><u>\$ 226,975</u></b>

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

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

Year Ending June 30	<u>Amount</u>
2023	\$ (35,213)
2024	(35,213)
2025	(35,213)
2026	(35,213)
2027	(25,451)
Thereafter	(20,709)

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

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

<u>Discount Rate</u>	Current		
	1% Decrease	Discount Rate	1% Increase
	1.16%	2.16%	3.16%
Total OPEB Liability	\$ 280,877	\$ 262,391	\$ 244,796

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

<u>Healthcare Cost Trend Rate</u>	Current		
	1%	Trend	1%
	Decrease	Rate	Increase
	6.36 to 3.5%	7.36 to 4.5%	8.36 to 5.5%
Total OPEB Liability	\$ 233,076	\$ 262,391	\$ 297,068

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

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

*Benefits Provided.* The Hardin County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-301, TCA, establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Hardin County School Department provided direct subsidies of \$260 to \$651 per month toward the cost of the insurance plan selected by the retiree. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

### Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	31
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	301
<b>Total</b>	<b><u>333</u></b>

A state insurance committee, created in accordance with Section 8-27-301, *TCA*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$291,850 to the LEP for OPEB benefits as they came due.

### Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Hardin County	State of	Total OPEB
	School Department	TN	Liability
Balance July 1, 2020	\$ 6,429,897	\$ 2,468,914	\$ 8,898,811
Changes for the Year:			
Service Cost	\$ 285,015	\$ 122,607	\$ 407,622
Interest	139,945	60,201	200,146
Difference between			
Expected and			
Actuarial Experience	(7,658)	(3,295)	(10,953)
Change in Proportion	(207,725)	207,725	0
Changes in Assumption			
and Other Inputs	(231,528)	(99,598)	(331,126)
Benefit Payments	(351,593)	(151,247)	(502,840)
Net Changes	<u>\$ (373,544)</u>	<u>\$ 136,393</u>	<u>\$ (237,151)</u>
Balance June 30, 2021	<u>\$ 6,056,353</u>	<u>\$ 2,605,307</u>	<u>\$ 8,661,660</u>

The Hardin County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Hardin County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$183,199 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hardin County School Department's proportionate share of the collective OPEB liability was 69.921 percent and the State of Tennessee's share was 30.079 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2022, the school department recognized an OPEB expense of \$299,931, 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	\$ 0	\$ 921,837
Changes of Assumptions/Inputs	548,130	611,067
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors		
As Benefits Came Due	0	502,916
Benefits Paid After the Measurement Date of June 30, 2021	<u>291,850</u>	<u>0</u>
 Total	 <u>\$ 839,980</u>	 <u>\$ 2,035,820</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	\$ (308,228)
2024	(308,228)
2025	(308,228)
2026	(300,487)
2027	(197,474)
Thereafter	(65,045)

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%	Current Discount Rate	1% Increase
	Decrease 1.16%	Rate 2.16%	Increase 3.16%
Proportionate Share of the Collective Total OPEB Liability	\$ 6,489,096	\$ 6,056,353	\$ 5,639,160

*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%	Current Rates	1% Increase
	Decrease 6.36% to 3.5%	7.36% to 4.5%	8.36% to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 5,394,883	\$ 6,056,353	\$ 6,831,061

## **I. Purchasing Laws**

### Office of County Mayor

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

### Office of Highway Commissioner

Chapter 62, Private Acts of 1997, as amended, and Section 54-7-113, *TCA* (Uniform Road Law), govern purchasing procedures for the highway department. These statutes require all purchases exceeding \$25,000 to be made on the basis of publicly advertised competitive bids.

### Office of Director of Schools

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

## **J. Subsequent Events**

On August 31, 2022, Linda McCasland left the Office of Trustee and was succeeded Jeanie Hopper by effective September 1, 2022.

On August 31, 2022, Calvin Hinton left the Office of Assessor of Property and was succeeded by Mary Martin effective September 1, 2022.

On August 31, 2022, Paula Wilhite left the Office of County Clerk and was succeeded by Jeanette Stricklin effective September 1, 2022.

On August 31, 2022, Diane Polk left the Office of Circuit and General Sessions Courts Clerk and was succeeded by Tammie Wolfe effective September 1, 2022.

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

### **A. General Information**

#### **1. General**

The Park Rest Hardin County Health Center (Park Rest) is a 62-bed intermediate care facility owned by Hardin County, Tennessee. Park Rest is located in Savannah, Tennessee, and began operations in 1986. Park Rest provides health care and services primarily to individuals in the Hardin County, Tennessee, area who do not require the degree of care and treatment a hospital or skilled nursing facility is designed to provide, but who, because of their mental or physical condition, require care and services, which can be made available to them through institutional facilities.

#### **2. Reporting Entity**

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

### **B. Summary of Significant Accounting Policies**

#### **1. Basis of Presentation**

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

#### **Proprietary Funds**

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

maintenance, public policy, management control, accountability, or other purposes.

**2. Measurement Focus and Basis of Accounting**

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

Park Rest's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**Cash and Cash Equivalents**

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

**Receivables**

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

**Inventory**

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

**Capital Assets**

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

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

### **Operating Revenues and Expenses**

Operating revenues and expenses are those that result from providing services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenues that are not generated from daily operations are defined as nonoperating.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Park Rest does not have any items that qualify for reporting in this category as of June 30, 2022.

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. Park Rest does not have any items that qualify for reporting in this category as of June 30, 2022.

### **Net Position Flow Assumption**

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

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

### **Net Position**

In Park Rest's financial statements, equity is classified as net position and displayed in three components:

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

**C. Related-party Transactions**

During the year, Hardin Home (an independent nursing home facility owned by the manager of Park Rest) provided Park Rest with laundry services. The charges for the laundry services approximated Hardin Home's actual costs of providing the services. The total laundry charges for the year were \$125,518.

Park Rest prepared meals for residents of Hardin Home. The charges for the meals approximated Park Rest's actual costs of providing the meals. The dietary charges for the year totaled \$251,164.

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

Hardin County has contracted with the owner of Hardin Home to manage Park Rest. The management fee was five percent of the revenues received by the facility from all sources and equaled \$189,168 in 2022.

Park Rest is responsible to pay the county a monthly administrative fee equal to three percent of revenues. For 2022, that fee totaled \$113,501.

**D. Risk Management**

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

**E. Custodial Credit Risk – Deposits**

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

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

As of June 30, 2022, Park Rest's deposits at year-end were exposed to custodial credit risk due to \$490,661 being in excess of federal depository insurance and uncollateralized.

**F. Concentration of Credit Risk**

Approximately 80 percent of the patients in Park Rest participate in the Medicaid program. As a result, a portion of their care is paid for by the State of Tennessee. Approximately 80 percent of the accounts receivable balance at June 30, 2022, was due from the State of Tennessee under the Medicaid program.

**G. Compensated Absences**

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

**H. Trust Funds**

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

## I. Capital Assets

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

	Balance 7-1-21	Increases	Balance 6-30-22
<b>Capital Assets Not Depreciated:</b>			
Land	\$ 26,700	\$ 0	\$ 26,700
<b>Capital Assets Depreciated:</b>			
Building and Improvements	\$ 1,163,361	\$ 0	\$ 1,163,361
Furniture and Fixtures	101,740	0	101,740
Equipment	404,583	6,619	411,202
<b>Total Capital Assets Depreciated</b>	<b>\$ 1,669,684</b>	<b>\$ 6,619</b>	<b>\$ 1,676,303</b>
<b>Less Accumulated Depreciation For:</b>			
Building and Improvements	\$ (1,019,910)	\$ (27,696)	\$ (1,047,606)
Furniture and Fixtures	(85,921)	(3,449)	(89,370)
Equipment	(395,529)	(5,194)	(400,723)
<b>Total Accumulated Depreciation</b>	<b>\$ (1,501,360)</b>	<b>\$ (36,339)</b>	<b>\$ (1,537,699)</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 168,324</b>	<b>\$ (36,339)</b>	<b>\$ 138,604</b>
<b>Total Capital Assets, Net</b>	<b>\$ 195,024</b>	<b>\$ (29,720)</b>	<b>\$ 165,304</b>

## J. Estimates and Assumptions

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

## K. COVID-19

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

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

for, and respond to COVID-19 and shall reimburse the recipient only for healthcare related expenses or lost revenues that are attributable to COVID-19. Park Rest received PRF in the amount of \$591,742 in 2021 and earned \$274,278 during 2021 and \$316,764 during 2022 which were either spent on expenditures or reimbursed lost revenues allowed under the program.

## **VII. OTHER NOTES – DISCRETELY PRESENTED HARDIN MEDICAL CENTER**

### **A. Nature of Operations**

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

### **B. Summary of Significant Accounting Policies**

#### **1. Basis of Presentation**

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

#### **2. Principles of Consolidation**

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

#### **3. Cash, Cash Equivalents, and Investments**

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

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

are classified as short-term investments, while the remaining amount is classified as long-term.

The medical center makes authorized investments pursuant to the provisions granted under the Private Hospital Authority and applicable state laws. The medical center's investment policy requires that investments be made only in checking and savings accounts; direct obligations of the U. S. Treasury; Security and Exchange Commission registered money market accounts; certificates of deposits; mutual funds; federal agencies; blue chip; S&P 500 stocks; American depository receipts and international stocks; exchange traded funds; real estate investment trusts; inflation protection assets and liquid investment grade corporate and mortgage bonds. These investments are reported at fair market value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Investment income is reported as nonoperating income. Any changes in fair market value in the current year are recognized in the Consolidated Statement of Revenues, Expenses, and Changes in Net Position as a component of investment income. At June 30, 2022, the medical center's investments included certificates of deposits, money market funds, equity securities, and mutual funds.

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

At June 30, 2022, the total carrying value of the medical center's cash, cash equivalents, and investments was \$43,250,784, and the bank balance was \$43,288,690.

#### **4. Inventories**

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

#### **5. Patient Accounts Receivable**

The medical center reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients, and others. The medical center provides an allowance for uncollectible accounts based on a review of outstanding receivables, historical collection information, and existing economic conditions.

## **6. Fair Value Measurements**

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

As of June 30, 2022, the medical center has \$29,180,934 in money market funds, equity securities, and mutual funds that would be classified as Level 1 under the hierarchy. As of June 30, 2022, the medical center had \$237,135 in certificates of deposit that would be classified as Level 2 under the hierarchy above. The medical center does not have any fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2022.

## **7. Property and Equipment**

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

## **8. Patient Service Revenue**

The medical center has agreements with third-party payors that provide for payments to the medical center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future

periods as final settlements are determined. Patient service revenue is net of contractual adjustments and policy discounts of approximately \$153 million for the year ended June 30, 2022. Approximately 29 percent of net patient service revenue was from Medicare for the year ended June 30, 2022. Approximately 15 percent of net patient service revenue was from Medicaid/TennCare for the year ended June 30, 2022. Approximately 18 percent of net patient service revenue was derived from one commercial insurance payor for the year ended June 30, 2022.

The medical center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the medical center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The costs of providing charity care are estimated based on the ratio of total costs to gross charges and totaled approximately \$315,000 for the year ended June 30, 2022.

**9. Operating Activities**

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

**10. Employee Benefit Plans**

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

**11. Pension**

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the medical center's participation in TCRS, and additions to/deductions from the medical center's fiduciary net position have been determined on the same basis as they are reported by TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. See Note VII.I for further information related to the pension plan.

## **12. Compensated Absences**

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

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

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

## **13. Risk Management**

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

## **14. Net Position**

The medical center's net position is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the remaining balances of any outstanding borrowings used to finance the purchase or construction of those assets. Loans received under the Paycheck Protection Program were not used to finance the purchase or construction of assets and are, therefore, not included as a component of Net Investment in Capital Assets. The restricted net position is the noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the medical center, including amounts related to the county's contributions and bond indebtedness restricted for specific purposes. The unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted. The medical center first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. As

of June 30, 2022, there was no permanently or temporarily restricted net position.

**15. Income Taxes**

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

**16. Performance Indicator**

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

**17. New Accounting Pronouncements**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The primary objective of this pronouncement is to increase the usefulness of governments' financial statements by requiring the recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. This pronouncement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this pronouncement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow liability. For short term leases (term of 12 months or less), a lessee is permitted to make an accounting election not to recognize lease assets and lease liabilities, which would generally result in lease expense being recognized on a straight-line basis over the lease term. The guidance is effective for reporting periods beginning after June 15, 2021, and requires restatement of all prior periods presented, if applicable. Additionally, the medical center elected a permitted accounting policy to not apply the new guidance to leases with an initial term of 12 months or less.

The medical center's accounting for finance leases remained substantially unchanged from its prior accounting for capital leases. As such, the term "finance lease" has been applied throughout these notes to the financial statements. This reclassification has no effect on the change in net position or net position previously reported.

In June 2020, GASB released Statement No. 96, *Subscription-Based Information Technology Arrangements*, which addresses the accounting for the costs related to cloud computing agreements. To capture this variety of products and services, GASB has chosen the term subscription-based information technology arrangements (SBITA). The

standard defines a SBITA, establishes that a SBITA would result in a right-to-use asset and a corresponding liability, provides capitalization criteria, and requires new note disclosures. The guidance is effective for fiscal years beginning after June 15, 2022, with early adoption permitted. The medical center adopted GASB Statement No. 96 as of July 1, 2021. See note VII.G. for further discussion.

**18. Use of Estimates**

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

**19. COVID-19 Pandemic**

In January 2020, the Secretary of the U.S. Department of Health and Human Services ("HHS") declared a national public health emergency due to a novel strain of coronavirus ("COVID-19"). In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The COVID-19 pandemic has caused unprecedented disruption and risk to individuals, governments, businesses, and financial markets and remains a rapidly evolving situation. While it is not possible to predict the future impacts of the pandemic on the medical center's financial condition and results of operations, significant disruptions to key business drivers, such as lower patient volumes and workforce did occur during fiscal year 2020 and continued to occur during fiscal year 2022. In response to the economic impact of COVID-19, the medical center has received assistance from the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and other grants and funding mechanisms available to eligible health care providers.

During the year ended June 30, 2022, the medical center participated in certain provider relief programs offered through the CARES Act, including general and targeted distributions from the Public Health and Social Services Emergency Fund ("PHSSE Fund"). Amounts received from the PHSSE Fund are recognized upon the provision of care for individuals with possible or actual cases of COVID-19 after January 1, 2020, certification that payment will be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus, and receipt of the funds. For the year ended June 30, 2022, the medical center received approximately \$3,594,000 from the PHSSE Fund, which includes general and targeted distributions. The medical center used approximately \$3,594,000 of

funding from the PHSSE Fund for the year ended June 30, 2022, which is included in other nonoperating income in the accompanying Statement of Revenue, Expenses and Changes in Net Position.

The medical center also received various state funding totaling approximately \$785,000 which is included as other nonoperating income in the accompanying Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2022.

**C. Investments**

A summary of investments as of June 30, 2022, follows:

	6-30-22
Certificate of Deposit	\$ 237,135
Money Market	3,636,660
Equity Securities	9,746,821
Mutual Funds	<u>15,797,453</u>
 Total	 <u>\$ 29,418,069</u>

The following schedule summarizes the investment and interest income, net in the Statement of Revenue, Expenses, and Changes in Net Position for 2022:

	2022
Interest and dividend income	\$ 1,484,344
Realized gain (loss) on investments	(465,887)
Unrealized gain on investments	(5,469,229)
Investment expenses	<u>(116,498)</u>
 Total	 <u>\$ (4,567,270)</u>

Included with interest and dividend income is interest on cash and cash equivalents of \$112,799 for the year ended June 30, 2022.

**D. Third-party Reimbursement Programs**

The medical center receives revenue under various third-party reimbursement programs, which include Medicare, Medicaid, TennCare, and other third-party payors. Contractual adjustments under third-party reimbursement programs represent the difference between the medical center's billings at its established rates and the amounts reimbursed by third-party payors. They also include any differences between estimated third-party reimbursement settlements for prior years and subsequent tentative or final settlements. There were no adjustments resulting from tentative or final settlements to estimated reimbursement amounts for the year ended June 30, 2022.

**1. Medicare**

The medical center is paid for substantially all services rendered to inpatient Medicare program beneficiaries under prospectively determined rates-per-discharge. Those rates vary according to a classification system that is based on clinical, diagnostic, and other factors. The medical center is paid for outpatient and emergency medical services under a Medicare program known as the Ambulatory Payment Classification (APC) system. Under the APC system, outpatient services are classified into APC categories based on standard procedure codes for the service provided and payment for the APC categories are determined using prospectively determined federal payment rates adjusted for geographical area wage differences. The medical center receives cash payments at an interim rate with final settlement determined after the medical center's submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The medical center's classification of patients under the Medicare Prospective Payment System and the appropriateness of the patients' admissions are subject to validation reviews by the Medicare peer review organization.

**2. Medicaid**

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

**3. TennCare**

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

**4. Commercial Payors**

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

## 5. **Credit Concentration**

The medical center grants credit to patients and generally does not require collateral or other security in extending credit; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies. At June 30, 2022, the medical center had net receivables from the federal government (Medicare) of approximately \$1,140,000, and from Medicaid/TennCare of approximately \$590,000.

## E. **Inventories**

A summary of inventories as of June 30, 2022, is as follows:

Pharmacy	\$ 455,825
Dietary	15,883
Departmental	<u>747,808</u>
Total	<u>\$ 1,219,516</u>

## F. Property and Equipment

The major classifications and changes in property and equipment as of and for the year ended June 30, 2022, are as follows:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 331,033	\$ 0	\$ 0	\$ 331,033
Construction in Progress	1,066,917	926,054	1,481,910	511,061
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 1,397,950</b>	<b>\$ 926,054</b>	<b>\$ 1,481,910</b>	<b>\$ 842,094</b>
<b>Capital Assets Depreciated:</b>				
Land Improvements	\$ 187,257	\$ 0	\$ 0	\$ 187,257
Buildings	20,754,661	0	0	20,754,661
Equipment	11,656,614	2,291,308	126,154	13,821,768
Furniture and Fixtures	283,374	0	0	283,374
Assets Under Finance Lease	1,371,376	0	0	1,371,376
<b>Total Capital Assets Depreciated</b>	<b>\$ 34,253,282</b>	<b>\$ 2,291,308</b>	<b>\$ 126,154</b>	<b>\$ 36,418,436</b>
<b>Less Accumulated Depreciation For:</b>				
Land Improvements	\$ 187,109	\$ 77	\$ 0	\$ 187,186
Buildings	11,645,072	822,426	0	12,467,498
Equipment	9,191,222	842,875	107,684	9,926,413
Furniture and Fixtures	265,125	0	0	265,125
Assets Under Finance Lease	1,371,375	0	0	1,371,375
<b>Total Accumulated Depreciation</b>	<b>\$ 22,659,903</b>	<b>\$ 1,665,378</b>	<b>\$ 107,684</b>	<b>\$ 24,217,597</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 11,593,379</b>	<b>\$ 625,930</b>	<b>\$ 18,470</b>	<b>\$ 12,200,839</b>
<b>Total Capital Assets, Net</b>	<b>\$ 12,991,329</b>	<b>\$ 1,551,984</b>	<b>\$ 1,500,380</b>	<b>\$ 13,042,933</b>

No interest costs were capitalized during the year ended June 30, 2022.

Construction in progress at June 30, 2022, consists primarily of the pharmacy and equipment conversion projects. Estimated costs to complete these projects amount to \$17,000 at June 30, 2022.

## G. Subscription Assets

The medical center entered a software agreement during the year ended June 30, 2022, that expires in June 2026. In accordance with GASB Statement No. 96, using an incremental borrowing rate of 2.47 percent, a right-to-use asset of

\$2,202,874, related accumulated amortization of \$518,574, and a subscription liability of \$1,754,834 is included in the accompanying Statement of Net Position. Amortization expense was \$518,574 for the year ended June 30, 2022, and is included in depreciation and amortization.

Year Ending June 30	Principal	Estimated Interest	Total
2023	\$ 448,040	\$ 19,000	\$ 467,040
2024	448,040	18,000	466,040
2025	448,040	16,000	464,040
2026	410,714	14,000	424,714
<b>Total</b>	<b>\$ 1,754,834</b>	<b>\$ 67,000</b>	<b>\$ 1,821,834</b>

#### **H. Ambulance Service**

Hardin County paid the construction cost of a building to house ambulance facilities and has also purchased ambulances and related equipment, but the medical center is responsible for operating the ambulance service. Expenditures by the county since the medical center began operating the ambulance service in 1997 totaled \$2,765,537 at June 30, 2022. This amount is not reflected within property and equipment in the accompanying financial statements. In addition, the county typically provides an annual subsidy to defray costs incurred in operating the ambulance service. For the year ended June 30, 2022, there was no annual subsidy.

#### **I. Long-term Debt and Finance Lease Obligations**

The major types and changes in the medical center's long-term debt and finance lease obligations as of and for the year ended June 30, 2022, is as follows:

	Balance 7-1-21	Reductions	Balance 6-30-22	Due Within One Year
CARES Act - PPP				
Loan - HMCPS	\$ 276,356	\$ 276,356	\$ 0	0
CARES Act - PPP				
Loan - Medical Center	1,800,000	1,800,000	0	0
Public Building				
Authority of the County of Montgomery -				
Series 2003	3,720,000	320,000	3,400,000	330,000
Finance Lease Obligations	787,145	170,785	616,360	175,051
<b>Total</b>	<b>\$ 6,583,501</b>	<b>\$ 2,567,141</b>	<b>\$ 4,016,360</b>	<b>\$ 505,051</b>

During July 2003, the medical center entered into a loan agreement with the Public Building Authority of the County of Montgomery, Tennessee, (building authority) whereby, the building authority loaned the medical center \$8 million for improvements to the medical center. The loan agreement bears interest at an adjustable rate (.57 percent as of June 30, 2022) and is due May 31, 2031. The variable interest rate is adjusted weekly as determined by the remarketing agent. The loan is guaranteed by Hardin County.

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

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

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

A summary of approximate future maturities and interest of long-term debt and finance lease obligations as of June 30, 2022, is as follows:

Year Ending June 30	Bonds		
	Principal	Estimated Interest	Total Payments
2023	\$ 330,000	\$ 19,000	\$ 349,000
2024	342,000	18,000	360,000
2025	354,000	16,000	370,000
2026	366,000	14,000	380,000
2027	378,000	11,000	389,000
2028-2031	1,630,000	23,000	1,653,000
<b>Total</b>	<b>\$ 3,400,000</b>	<b>\$ 101,000</b>	<b>\$ 3,501,000</b>

Finance Lease Obligations				
Year Ending June 30	Principal	Estimated Interest	Total Payments	
2023	\$ 175,000	\$ 13,000	\$ 188,000	
2024	179,000	9,000	188,000	
2025	184,000	4,000	188,000	
2026	78,360	1,000	79,360	
<b>Total</b>	<b>\$ 616,360</b>	<b>\$ 27,000</b>	<b>\$ 643,360</b>	
<b>Total - All Debt</b>				
Year Ending June 30	Principal	Estimated Interest	Total Payments	
2023	\$ 505,000	\$ 32,000	\$ 537,000	
2024	521,000	27,000	548,000	
2025	538,000	20,000	558,000	
2026	444,000	15,000	459,000	
2027	378,000	11,000	389,000	
2028-2031	1,630,360	23,000	1,653,360	
<b>Total</b>	<b>\$ 4,016,360</b>	<b>\$ 128,000</b>	<b>\$ 4,144,360</b>	

## **J. Pension Plan**

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

*Plan Description.* Employees of the medical center are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent-multiple-employer pension plan administered by TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year

average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to 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	146
Inactive Employees Entitled to But Not Yet Receiving Benefits	116
Active Employees	<u>29</u>
Total	<u>291</u>

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

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. For employees hired before July 1, 1986, the medical center had adopted a non-contributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Employees hired on and after July 1, 1986, contribute five percent of salary. The medical center makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, employer contributions for the medical center were \$465,239 based on a rate of 27.75 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the medical center's state shared taxes if

required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Net Pension Liability**

The medical center's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 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%

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 historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS

investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88	% 31 %
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
 Total		 <u>100</u> %

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 three factors described above, inclusive of inflation.

*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 the medical center will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2020	\$ 32,098,017	\$ 29,698,583	\$ 2,399,434
Changes for the year:			
Service Cost	\$ 225,440	\$ 0	\$ 225,440
Interest	2,258,980	0	2,258,980
Differences Between Expected and Actual Experience	(63,263)	0	(63,263)
Changes in Assumptions	2,160,982	0	2,160,982
Contributions-Employer	0	422,102	(422,102)
Contributions-Employees	0	76,618	(76,618)
Net Investment Income	0	7,424,737	(7,424,737)
Benefit Payments, Including Refunds of Employee Contributions	(2,330,224)	(2,330,224)	0
Administrative Expense	0	(2,625)	2,625
Net Changes	\$ 2,251,915	\$ 5,590,608	\$ (3,338,693)
Balance, June 30, 2021	\$ 34,349,932	\$ 35,289,191	\$ (939,259)

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the medical center calculated using the discount rate of 6.75 percent, as well as what the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

Medical Center	1%	Current Discount Rate	1%
	Decrease 5.75%	6.75%	Increase 7.75%
Net Pension Liability (Asset)	\$ 2,802,382	\$ (939,259)	\$ (4,105,068)

## 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, the medical center recognized pension expense of \$1,212,993. Pension expense is reported within employee benefits on the accompanying consolidated Statement of Revenue, Expenses, and Changes in Net Position.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 0	\$ 3,951,792
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	<u>465,239</u>	N/A
<b>Total</b>	<b><u>\$ 465,239</u></b>	<b><u>\$ 3,951,792</u></b>

(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.

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

Year Ending June 30	Amount
2023	\$ (1,004,269)
2024	(945,559)
2025	(934,348)
2026	(1,067,616)
2027	0
Thereafter	0

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

## **K. Deferred Contribution Plan**

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

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

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

The total retirement plan expense associated with this plan for the year ended June 30, 2022, was \$530,810. Employee contributions to the plan for the year ended June 30, 2022, were \$600,502.

**L. Commitments and Contingencies**

**1. Operating Commitments**

The medical center leases various equipment and space under operating lease agreements. Rent expense was \$471,778 in 2022. The medical center does not have any material future minimum payments as all of the leases are on month-to-month terms. It is expected that in the normal course of business, leases that expire will be renewed or replaced by other leases; thus, it is anticipated that future lease payments will not be less than the expense for 2022.

The medical center generates rental income primarily from operating leases of medical office buildings and houses. Rental income was \$194,161 in 2022 and is included in other operating revenue. Lease terms are month-to-month.

**2. Insurance**

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

The medical center is self-insured for a portion of employee medical and other health care benefits and workers' compensation claims. The risk of loss retained by the medical center is limited to \$125,000 per year for

each employee's medical claims. The medical center has purchased excess insurance to provide coverage for claims in excess of the self-insured plan. Claims expenditures and liabilities are reported under the self-insurance plan when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Reserves included within accrued expenses on the accompanying Statement of Net Position, related to employee medical and other health care benefits totaled \$150,000 in 2022.

### **3. Health Care Industry**

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

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

The Centers for Medicare and Medicaid Services (CMS) have implemented a Recovery Audit Contractors (RAC) program. The purpose of the program is to reduce improper Medicare and Medicaid payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits, and they are being compensated on a contingency basis based on the amount of overpayments that are recovered. While management believes that all Medicare and Medicaid billings are proper and adequate support is maintained, certain aspects of Medicare and Medicaid billing, coding,

and support are subject to interpretation and may be viewed differently by the RAC auditors. At June 30, 2022, the medical center recorded a reserve for potential recoveries. The reserve of \$100,000 is included within accrued expenses on the accompanying Statement of Net Position at June 30, 2022. The reserve is based on the percentage success rate and the total dollar of potential claims that are under audit.

#### **4. Health Care Reform**

The health care industry is subject to changing political, regulatory, and other influences, along with various scientific and technological initiatives. In recent years, the U.S. Congress and certain state legislatures have passed a large number of laws and regulations intended to effect major change within the U.S. health care system, including the Affordable Care Act. The Affordable Care Act affects how health care services are covered, delivered, and reimbursed through expanded health insurance coverage, reduced growth in Medicare program spending, reductions in Medicare and Medicaid Disproportionate Share Hospital payments, and the establishment of programs that tie reimbursement to quality and integration. However, there is uncertainty regarding the future of the Affordable Care Act. The law has been subject to legislative and regulatory changes and court challenges.

As currently structured, the Affordable Care Act expands coverage through a combination of private sector health insurance requirements, public program expansion, and other reforms. Expansion of coverage through the private sector has been driven by requirements applicable to health insurers, employers, and individuals. Expansion in public program coverage has been driven primarily by expanding the categories of individuals eligible for Medicaid coverage and permitting individuals with relatively higher income to qualify.

There is uncertainty regarding the ongoing effect of the Affordable Care Act due to efforts to change, repeal, or replace the Affordable Care Act, and the development of agency guidance, among other factors. There is also uncertainty regarding the potential impact of other reform efforts at the federal and state levels. For example, some members of Congress have proposed measures that would expand government-sponsored coverage, including proposals to expand coverage of federally funded insurance programs as an alternative to private insurance or establish a single-payor system (such reforms often referred to as “Medicare for All”), and some states are considering similar measures. Other initiatives and proposals, including those aimed at price transparency and out-of-network charges, may impact prices and the relationships between health care providers and insurers.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit F-1

Hardin County, Tennessee

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS

Primary Government  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021
<b>Total Pension Liability</b>								
Service Cost	\$ 667,595	\$ 632,337	\$ 619,117	\$ 638,234	\$ 661,453	\$ 674,778	\$ 677,711	\$ 700,719
Interest	1,662,170	1,737,824	1,831,745	1,884,199	1,923,317	1,973,482	2,045,340	2,151,018
Differences Between Actual and Expected Experience	(360,377)	(95,122)	(662,250)	(362,700)	(361,652)	(272,936)	144,037	(271,122)
Change of Assumptions	0	0	0	667,803	0	0	0	2,458,142
Benefit Payments, Including Refunds of Employee Contributions	(904,547)	(946,272)	(1,072,791)	(1,143,902)	(1,745,901)	(1,343,105)	(1,431,115)	(1,433,822)
Net Change in Total Pension Liability	\$ 1,064,841	\$ 1,328,767	\$ 715,821	\$ 1,683,634	\$ 477,217	\$ 1,032,219	\$ 1,435,973	\$ 3,604,935
Total Pension Liability, Beginning	21,946,940	23,011,781	24,340,548	25,056,369	26,740,003	27,217,220	28,249,439	29,685,412
Total Pension Liability, Ending (a)	<u>\$ 23,011,781</u>	<u>\$ 24,340,548</u>	<u>\$ 25,056,369</u>	<u>\$ 26,740,003</u>	<u>\$ 27,217,220</u>	<u>\$ 28,249,439</u>	<u>\$ 29,685,412</u>	<u>\$ 33,290,347</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 782,221	\$ 757,660	\$ 720,802	\$ 719,981	\$ 716,390	\$ 516,985	\$ 556,572	\$ 561,571
Contributions - Employee	393,205	364,967	344,947	360,166	385,737	391,000	397,555	402,184
Net Investment Income	3,385,111	739,667	658,870	2,880,843	2,316,217	2,208,020	1,556,456	8,367,506
Benefit Payments, Including Refunds of Employee Contributions	(904,547)	(946,272)	(1,072,791)	(1,143,902)	(1,745,901)	(1,343,105)	(1,431,115)	(1,433,822)
Administrative Expense	(12,425)	(15,754)	(22,461)	(24,806)	(28,165)	(26,021)	(26,589)	(26,206)
Other	0	0	5,329	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 3,643,565	\$ 900,268	\$ 634,696	\$ 2,792,282	\$ 1,644,278	\$ 1,746,879	\$ 1,052,879	\$ 7,871,233
Plan Fiduciary Net Position, Beginning	20,269,401	23,912,966	24,813,234	25,447,930	28,240,212	29,884,490	31,631,369	32,684,248
Plan Fiduciary Net Position, Ending (b)	<u>\$ 23,912,966</u>	<u>\$ 24,813,234</u>	<u>\$ 25,447,930</u>	<u>\$ 28,240,212</u>	<u>\$ 29,884,490</u>	<u>\$ 31,631,369</u>	<u>\$ 32,684,248</u>	<u>\$ 40,555,481</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (901,185)</u>	<u>\$ (472,686)</u>	<u>\$ (391,561)</u>	<u>\$ (1,500,209)</u>	<u>\$ (2,667,270)</u>	<u>\$ (3,381,930)</u>	<u>\$ (2,998,836)</u>	<u>\$ (7,265,134)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.92%	101.94%	101.56%	105.61%	109.80%	111.97%	110.10%	121.82%
Covered Payroll	\$ 7,389,084	\$ 7,297,440	\$ 6,926,286	\$ 7,199,804	\$ 7,163,884	\$ 7,385,493	\$ 7,951,021	\$ 8,022,433
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.2)%	(6.48)%	(5.65)%	(20.84)%	(37.23)%	(45.79)%	(37.72)%	(90.56)%

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

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

Exhibit F-2

Hardin County, Tennessee

Schedule of Contributions Based on Participation in the Public

Employee Pension Plan of TCRS

Primary Government

For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 782,221	\$ 757,660	\$ 720,802	\$ 299,512	\$ 318,793	\$ 328,655	\$ 278,286	\$ 99,478	\$ 35,923
Less: Contributions in Relation to the Actuarially Determined Contribution	(782,221)	(757,660)	(720,802)	(719,981)	(716,390)	(516,985)	(556,572)	(561,571)	(584,792)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (420,469)	\$ (397,597)	\$ (188,330)	\$ (278,286)	\$ (462,093)	\$ (548,869)
Covered Payroll	\$ 7,389,084	\$ 7,297,440	\$ 6,926,286	\$ 7,199,804	\$ 7,163,884	\$ 7,385,493	\$ 7,951,021	\$ 8,022,433	\$ 8,354,174
Contributions as a Percentage of Covered Payroll	10.59%	10.38%	10.41%	10.00%	10.00%	7.00%	7.00%	7.00%	7.00%

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

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

Exhibit F-3

Hardin County, Tennessee

Schedule of Contributions Based on Participation in the Teacher

Retirement Plan of TCRS

Discretely Presented Hardin County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 6,511	\$ 32,298	\$ 52,196	\$ 62,858	\$ 38,262	\$ 52,226	\$ 60,089	\$ 63,768
Less: Contributions in Relation to the Contractually Required Contribution	(6,511)	(32,298)	(52,196)	(62,858)	(38,262)	(52,226)	(60,089)	(63,768)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 162,771	\$ 807,463	\$ 1,304,902	\$ 1,571,423	\$ 1,972,238	\$ 2,572,714	\$ 2,974,638	\$ 3,172,530
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%

Note 1: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

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

## Exhibit F-4

Hardin County, TennesseeSchedule of Contributions Based on Participation in the TeacherLegacy Pension Plan of TCRSDiscretely Presented Hardin County School Department

For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 1,256,719	\$ 1,180,701	\$ 1,167,681	\$ 1,162,499	\$ 1,134,251	\$ 1,273,054	\$ 1,285,152	\$ 1,268,090	\$ 1,261,740
Less: Contributions in Relation to the Contractually Required Contribution	(1,256,719)	(1,180,701)	(1,167,681)	(1,162,499)	(1,134,251)	(1,273,054)	(1,285,152)	(1,268,090)	(1,261,740)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 14,152,240	\$ 13,060,845	\$ 12,916,828	\$ 12,859,527	\$ 12,491,715	\$ 12,170,688	\$ 12,089,856	\$ 12,347,500	\$ 12,249,878
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.076724%	0.183511%	0.198816%	0.179823%	0.186379%	0.203874%	0.206115%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (3,152)	\$ (19,104)	\$ (52,454)	\$ (81,555)	\$ (105,208)	\$ (115,931)	\$ (223,266)
Covered Payroll	\$ 162,771	\$ 807,463	\$ 1,304,902	\$ 1,571,423	\$ 1,972,238	\$ 2,572,714	\$ 2,974,638
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(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

Hardin County, Tennessee

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

	2014	2015	2016	2017	2018	2019	2020	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.360567%	0.348894%	0.357827%	0.363782%	0.356736%	0.362964%	0.363249%	0.376200%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (58,591)	\$ 142,919	\$ 2,236,219	\$ (119,025)	\$ (1,255,325)	\$ (3,731,919)	\$ (2,770,039)	\$ (16,226,394)
Covered Payroll	\$ 14,152,240	\$ 13,060,845	\$ 12,916,828	\$ 12,859,527	\$ 12,491,715	\$ 12,170,688	\$ 12,089,856	\$ 12,347,500
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(1.05)%	(30.66)%	(22.91)%	(131.41)%
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.

Hardin County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Local Government PlanPrimary GovernmentFor the Fiscal Year Ended June 30**Hardin County Government****Total OPEB Liability**

	2017	2018	2019	2020	2021
Service Cost	\$ 32,759	\$ 30,322	\$ 34,709	\$ 36,446	\$ 42,072
Interest	10,268	13,162	13,499	11,696	8,350
Differences Between Actual and Expected Experience	0	(62,420)	(101,532)	(28,479)	(39,289)
Changes in Assumptions or Other Inputs	(18,074)	21,646	15,114	25,715	(79,715)
Benefit Payments	(4,089)	(4,757)	(3,101)	(3,343)	(9,482)
Net Change in Total OPEB Liability	\$ 20,864	\$ (2,047)	\$ (41,311)	\$ 42,035	\$ (78,064)
Total OPEB Liability, Beginning	320,914	341,778	339,731	298,420	340,455
 Total OPEB Liability, Ending	 \$ 341,778	 \$ 339,731	 \$ 298,420	 \$ 340,455	 \$ 262,391
 Covered Employee Payroll	 \$ 4,882,721	 \$ 4,141,886	 \$ 4,493,960	 \$ 4,551,630	 \$ 4,664,957
Net OPEB Liability as a Percentage of Covered Employee Payroll	7.00%	8.20%	6.64%	7.48%	5.62%

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%
For 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.

Hardin County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Local Education PlanDiscretely Presented Hardin County School DepartmentFor the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021
<b>Total OPEB Liability</b>					
Service Cost	\$ 659,166	\$ 614,279	\$ 392,202	\$ 322,748	\$ 407,622
Interest	350,503	423,383	319,194	284,983	200,146
Changes in Benefit Terms	0	(1,386,052)	0	0	0
Differences Between Actual and Expected Experience	0	(2,113,834)	(136,936)	(111,657)	(10,953)
Changes in Assumptions or Other Inputs	(486,902)	246,246	(607,718)	882,531	(331,126)
Benefit Payments	(539,627)	(637,587)	(642,550)	(547,721)	(502,840)
Net Change in Total OPEB Liability	\$ (16,860)	\$ (2,853,565)	\$ (675,808)	\$ 830,884	\$ (237,151)
Total OPEB Liability, Beginning	11,614,160	11,597,300	8,743,735	8,067,927	8,898,811
Total OPEB Liability, Ending	\$ 11,597,300	\$ 8,743,735	\$ 8,067,927	\$ 8,898,811	\$ 8,661,660
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,691,838	\$ 2,326,944	\$ 2,244,780	\$ 2,468,914	\$ 2,605,307
Employer Proportionate Share of the Total OPEB Liability	8,905,462	6,416,791	5,823,147	6,429,897	6,056,353
Covered Employee Payroll	\$ 14,740,669	\$ 14,471,923	\$ 14,484,612	\$ 14,761,210	\$ 15,026,829
Net OPEB Liability as a Percentage of Covered Employee Payroll	60.41%	44.34%	40.20%	43.56%	40.30%

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%
- For 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.

**HARDIN 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 July 1, 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	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

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

# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

## Debt Service Fund

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

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General Debt Service Fund – The General Debt Service Fund is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Exhibit G-1

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

	Special Revenue Funds				Debt Service Fund		Total Nonmajor Governmental Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees		General Debt Service			
				Total				
<b>ASSETS</b>								
Cash	\$ 0	\$ 0	\$ 613	\$ 613	\$ 0	\$ 613		
Equity in Pooled Cash and Investments	661,506	100,006	0	761,512	2,477,293	3,238,805		
Accounts Receivable	20,321	0	0	20,321	7,847	28,168		
Due from Other Governments	216,071	0	0	216,071	0	216,071		
Due from Component Units	0	0	0	0	3,694	3,694		
Property Taxes Receivable	244,319	0	0	244,319	244,319	488,638		
Allowance for Uncollectible Property Taxes	(9,284)	0	0	(9,284)	(9,284)	(18,568)		
<b>Total Assets</b>	<b>\$ 1,132,933</b>	<b>\$ 100,006</b>	<b>\$ 613</b>	<b>\$ 1,233,552</b>	<b>\$ 2,723,869</b>	<b>\$ 3,957,421</b>		
<b>LIABILITIES</b>								
Accounts Payable	\$ 19,328	\$ 0	\$ 0	\$ 19,328	\$ 0	\$ 19,328		
Accrued Payroll	21,214	1,292	0	22,506	0	22,506		
Payroll Deductions Payable	2,114	106	0	2,220	0	2,220		
Due to Other Funds	0	0	613	613	0	613		
<b>Total Liabilities</b>	<b>\$ 42,656</b>	<b>\$ 1,398</b>	<b>\$ 613</b>	<b>\$ 44,667</b>	<b>\$ 0</b>	<b>\$ 44,667</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred Current Property Taxes	\$ 228,419	\$ 0	\$ 0	\$ 228,419	\$ 228,419	\$ 456,838		
Deferred Delinquent Property Taxes	6,200	0	0	6,200	6,201	12,401		
Other Deferred/Unavailable Revenue	101,977	0	0	101,977	0	101,977		
<b>Total Deferred Inflows of Resources</b>	<b>\$ 336,596</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 336,596</b>	<b>\$ 234,620</b>	<b>\$ 571,216</b>		

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Debt Service Fund		Total Nonmajor Governmental Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees		General Debt Service			
			Total					
<b>FUND BALANCES</b>								
Restricted:								
Restricted for Public Safety	\$ 0	\$ 98,608	\$ 0	\$ 98,608	\$ 0	\$ 98,608	\$ 98,608	
Restricted for Debt Service	0	0	0	0	0	894,792	894,792	
Committed:								
Committed for Public Health and Welfare	753,681	0	0	753,681	0	753,681	753,681	
Committed for Debt Service	0	0	0	0	1,594,457	1,594,457		
Total Fund Balances	\$ 753,681	\$ 98,608	\$ 0	\$ 852,289	\$ 2,489,249	\$ 3,341,538		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,132,933	\$ 100,006	\$ 613	\$ 1,233,552	\$ 2,723,869	\$ 3,957,421		

Exhibit G-2

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

	Special Revenue Funds			Debt Service Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	General Debt Service		
<b>Revenues</b>						
Local Taxes	\$ 1,399,050	\$ 0	\$ 1,399,050	\$ 240,622	\$ 1,639,672	
Fines, Forfeitures, and Penalties	0	8,539	8,539	0	8,539	
Charges for Current Services	387,732	0	387,732	0	387,732	
Other Local Revenues	1,071	0	1,071	148,641	149,712	
State of Tennessee	75,000	5,050	80,050	20,933	100,983	
Other Governments and Citizens Groups	7,606	5,901	13,507	633,827	647,334	
<b>Total Revenues</b>	<b>\$ 1,870,459</b>	<b>\$ 19,490</b>	<b>\$ 1,889,949</b>	<b>\$ 1,044,023</b>	<b>\$ 2,933,972</b>	
<b>Expenditures</b>						
Current:						
Public Safety	\$ 0	\$ 49,151	\$ 49,151	\$ 0	\$ 49,151	
Public Health and Welfare	1,943,689	0	1,943,689	0	1,943,689	
Other Operations	181,271	16,625	197,896	0	197,896	
Debt Service:						
Principal on Debt	0	0	0	1,199,144	1,199,144	
Interest on Debt	0	0	0	228,138	228,138	
Other Debt Service	0	0	0	34,197	34,197	
<b>Total Expenditures</b>	<b>\$ 2,124,960</b>	<b>\$ 65,776</b>	<b>\$ 2,190,736</b>	<b>\$ 1,461,479</b>	<b>\$ 3,652,215</b>	
Excess (Deficiency) of Revenues Over Expenditures	<b>\$ (254,501)</b>	<b>\$ (46,286)</b>	<b>\$ (300,787)</b>	<b>\$ (417,456)</b>	<b>\$ (718,243)</b>	
<b>Other Financing Sources (Uses)</b>						
Other Loans Issued	\$ 268,929	\$ 0	\$ 268,929	\$ 0	\$ 268,929	
Insurance Recovery	67,484	0	67,484	0	67,484	
Transfers In	0	70,000	70,000	747,794	817,794	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 336,413</b>	<b>\$ 70,000</b>	<b>\$ 406,413</b>	<b>\$ 747,794</b>	<b>\$ 1,154,207</b>	
Net Change in Fund Balances	<b>\$ 81,912</b>	<b>\$ 23,714</b>	<b>\$ 105,626</b>	<b>\$ 330,338</b>	<b>\$ 435,964</b>	
Fund Balance, July 1, 2021	<b>671,769</b>	<b>74,894</b>	<b>746,663</b>	<b>2,158,911</b>	<b>2,905,574</b>	
Fund Balance, June 30, 2022	<b>\$ 753,681</b>	<b>\$ 98,608</b>	<b>\$ 852,289</b>	<b>\$ 2,489,249</b>	<b>\$ 3,341,538</b>	

Exhibit G-3

Hardin County, Tennessee

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
			Encumbrances		Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 1,399,050	\$ 0	\$ 1,399,050	\$ 1,100,428	\$ 1,100,428	\$ 298,622	
Charges for Current Services	387,732	0	387,732	358,500	358,500	29,232	
Other Local Revenues	1,071	0	1,071	0	0	1,071	
State of Tennessee	75,000	0	75,000	75,000	75,000	0	
Other Governments and Citizens Groups	7,606	0	7,606	0	0	7,606	
<b>Total Revenues</b>	<b>\$ 1,870,459</b>	<b>\$ 0</b>	<b>\$ 1,870,459</b>	<b>\$ 1,533,928</b>	<b>\$ 1,533,928</b>	<b>\$ 336,531</b>	
<b>Expenditures</b>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 78,540	\$ 283	\$ 78,823	\$ 81,200	\$ 81,200	\$ 2,377	
Waste Pickup	755,828	6,597	762,425	502,718	776,171	13,746	
Convenience Centers	674,365	4,002	678,367	420,641	699,570	21,203	
Landfill Operation and Maintenance	434,956	0	434,956	369,500	449,500	14,544	
<u>Other Operations</u>							
Other Charges	62,149	0	62,149	73,000	75,000	12,851	
Employee Benefits	119,122	0	119,122	146,442	146,442	27,320	
<b>Total Expenditures</b>	<b>\$ 2,124,960</b>	<b>\$ 10,882</b>	<b>\$ 2,135,842</b>	<b>\$ 1,593,501</b>	<b>\$ 2,227,883</b>	<b>\$ 92,041</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>							
	<b>\$ (254,501)</b>	<b>\$ (10,882)</b>	<b>\$ (265,383)</b>	<b>\$ (59,573)</b>	<b>\$ (693,955)</b>	<b>\$ 428,572</b>	
<b>Other Financing Sources (Uses)</b>							
Other Loans Issued	\$ 268,929	\$ 0	\$ 268,929	\$ 0	\$ 268,929	\$ 0	
Insurance Recovery	67,484	0	67,484	0	67,484	0	
<b>Total Other Financing Sources</b>	<b>\$ 336,413</b>	<b>\$ 0</b>	<b>\$ 336,413</b>	<b>\$ 0</b>	<b>\$ 336,413</b>	<b>\$ 0</b>	
<b>Net Change in Fund Balance</b>							
Fund Balance, July 1, 2021	\$ 81,912	\$ (10,882)	\$ 71,030	\$ (59,573)	\$ (357,542)	\$ 428,572	
	671,769	0	671,769	548,230	548,230	123,539	
<b>Fund Balance, June 30, 2022</b>	<b>\$ 753,681</b>	<b>\$ (10,882)</b>	<b>\$ 742,799</b>	<b>\$ 488,657</b>	<b>\$ 190,688</b>	<b>\$ 552,111</b>	

Exhibit G-4

Hardin County, Tennessee

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget

Drug Control Fund

For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Fines, Forfeitures, and Penalties	\$ 8,539	\$ 8,350	\$ 8,350	\$ 189
State of Tennessee	5,050	5,800	5,800	(750)
Other Governments and Citizens Groups	5,901	0	0	5,901
<b>Total Revenues</b>	<b>\$ 19,490</b>	<b>\$ 14,150</b>	<b>\$ 14,150</b>	<b>\$ 5,340</b>
<b>Expenditures</b>				
<u>Public Safety</u>				
Drug Enforcement	\$ 49,151	\$ 53,933	\$ 53,933	\$ 4,782
<u>Other Operations</u>				
Other Charges	1,964	2,300	2,300	336
Employee Benefits	14,661	15,244	15,288	627
<b>Total Expenditures</b>	<b>\$ 65,776</b>	<b>\$ 71,477</b>	<b>\$ 71,521</b>	<b>\$ 5,745</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (46,286)	\$ (57,327)	\$ (57,371)	\$ 11,085
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	<b>\$ 0</b>
Net Change in Fund Balance Fund Balance, July 1, 2021	\$ 23,714	\$ 12,673	\$ 12,629	\$ 11,085
	74,894	71,872	71,872	3,022
<b>Fund Balance, June 30, 2022</b>	<b>\$ 98,608</b>	<b>\$ 84,545</b>	<b>\$ 84,501</b>	<b>\$ 14,107</b>

Exhibit G-5

Hardin County, Tennessee

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget

General Debt Service Fund

For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 240,622	\$ 248,104	\$ 248,104	\$ (7,482)
Other Local Revenues	148,641	142,500	142,500	6,141
State of Tennessee	20,933	20,000	20,000	933
Other Governments and Citizens Groups	633,827	522,400	798,970	(165,143)
<b>Total Revenues</b>	<b>\$ 1,044,023</b>	<b>\$ 933,004</b>	<b>\$ 1,209,574</b>	<b>\$ (165,551)</b>
<b>Expenditures</b>				
<u>Principal on Debt</u>				
General Government	\$ 774,119	\$ 774,403	\$ 774,120	\$ 1
Highways and Streets	180,000	180,000	180,000	0
Education	245,025	0	245,025	0
<u>Interest on Debt</u>				
General Government	173,793	328,477	329,258	155,465
Highways and Streets	22,800	22,800	22,800	0
Education	31,545	0	31,545	0
<u>Other Debt Service</u>				
General Government	34,197	44,111	44,111	9,914
<b>Total Expenditures</b>	<b>\$ 1,461,479</b>	<b>\$ 1,349,791</b>	<b>\$ 1,626,859</b>	<b>\$ 165,380</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (417,456)	\$ (416,787)	\$ (417,285)	\$ (171)
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 747,794	\$ 718,800	\$ 747,794	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ 747,794</b>	<b>\$ 718,800</b>	<b>\$ 747,794</b>	<b>\$ 0</b>
Net Change in Fund Balance Fund Balance, July 1, 2021	\$ 330,338	\$ 302,013	\$ 330,509	\$ (171)
	2,158,911	2,036,695	2,036,695	122,216
<b>Fund Balance, June 30, 2022</b>	<b>\$ 2,489,249</b>	<b>\$ 2,338,708</b>	<b>\$ 2,367,204</b>	<b>\$ 122,045</b>

## **Major Governmental Fund**

### **Rural Debt Service Fund**

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

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Exhibit H

Hardin County, Tennessee

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget

Rural Debt Service Fund

For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 555,153	\$ 411,602	\$ 411,602	\$ 143,551
Other Local Revenues	4,070	7,660	7,660	(3,590)
Other Governments and Citizens Groups	2,602,530	2,053,432	2,053,432	549,098
<b>Total Revenues</b>	<b>\$ 3,161,753</b>	<b>\$ 2,472,694</b>	<b>\$ 2,472,694</b>	<b>\$ 689,059</b>
<b>Expenditures</b>				
<u>Principal on Debt</u>				
Education	\$ 1,465,000	\$ 1,465,000	\$ 1,465,000	\$ 0
<u>Interest on Debt</u>				
Education	945,025	945,025	945,025	0
<u>Other Debt Service</u>				
Education	6,034	4,700	6,000	(34)
<b>Total Expenditures</b>	<b>\$ 2,416,059</b>	<b>\$ 2,414,725</b>	<b>\$ 2,416,025</b>	<b>\$ (34)</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 745,694	\$ 57,969	\$ 56,669	\$ 689,025
Net Change in Fund Balance Fund Balance, July 1, 2021	\$ 745,694	\$ 57,969	\$ 56,669	\$ 689,025
	<u>3,674,234</u>	<u>3,183,513</u>	<u>3,183,513</u>	<u>490,721</u>
<b>Fund Balance, June 30, 2022</b>	<b>\$ 4,419,928</b>	<b>\$ 3,241,482</b>	<b>\$ 3,240,182</b>	<b>\$ 1,179,746</b>

# Custodial Funds

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

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

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

Exhibit I-1

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

	Custodial Funds			
	Constitu -			
	Cities -	tional	Officers -	
	Sales		Officers -	
	Tax	Custodial	Custodial	Total
<b><u>ASSETS</u></b>				
Cash	\$ 0	\$ 720,916	\$ 720,916	
Due from Other Governments		926,985	0	926,985
<b>Total Assets</b>	<b>\$ 926,985</b>	<b>\$ 720,916</b>	<b>\$ 1,647,901</b>	
<b><u>LIABILITIES</u></b>				
Due to Other Taxing Units	\$ 926,985	\$ 0	\$ 926,985	
<b>Total Liabilities</b>	<b>\$ 926,985</b>	<b>\$ 0</b>	<b>\$ 926,985</b>	
<b><u>NET POSITION</u></b>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 720,916	\$ 720,916	
<b>Total Net Position</b>	<b>\$ 0</b>	<b>\$ 720,916</b>	<b>\$ 720,916</b>	

Exhibit I-2

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

	Custodial Funds				
	Cities -	Constitu -	tional		
	Sales	Officers -	Custodial		Total
	Tax				
<u>Additions</u>					
Sales Tax Collections for Other Governments	\$ 5,013,475	\$ 0	\$ 5,013,475		
Fines/Fees and Other Collections	0	8,301,927	8,301,927		
<b>Total Additions</b>	<b>\$ 5,013,475</b>	<b>\$ 8,301,927</b>	<b>\$ 13,315,402</b>		
<u>Deductions</u>					
Payment of Sales Tax Collections for Other Governments	\$ 5,013,475	\$ 0	\$ 5,013,475		
Payments to State	0	4,951,401	4,951,401		
Payments to Cities, Individuals, and Others	0	3,131,915	3,131,915		
<b>Total Deductions</b>	<b>\$ 5,013,475</b>	<b>\$ 8,083,316</b>	<b>\$ 13,096,791</b>		
Change in Net Position	\$ 0	\$ 218,611	\$ 218,611		
Net Position July 1, 2021	0	502,305	502,305		
<b>Net Position June 30, 2022</b>	<b>\$ 0</b>	<b>\$ 720,916</b>	<b>\$ 720,916</b>		

# Hardin County School Department

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

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

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

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

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

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

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

Exhibit J-1

Hardin County, Tennessee

Statement of Activities

Discretely Presented Hardin County School Department

For the Year Ended June 30, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants	Capital Grants	
		Expenses	and Contributions	
Governmental Activities:				
Instruction	\$ 19,775,209	\$ 136,299	\$ 4,159,637	\$ 1,649,371
Support Services	12,867,385	70,132	529,782	1,616,906
Operation of Non-instructional Services	4,692,915	169,534	4,165,846	382,036
				24,501
Total Governmental Activities	<u>\$ 37,335,509</u>	<u>\$ 375,965</u>	<u>\$ 8,855,265</u>	<u>\$ 3,648,313</u>
				\$ (24,455,966)
General Revenues:				
Taxes:				
Property Taxes Leved for General Purposes				\$ 8,603,998
Local Option Sales Taxes				6,707,904
Other Local Taxes				39,946
Grants and Contributions Not Restricted to Specific Programs				17,676,172
Miscellaneous				34,506
Total General Revenues				<u>\$ 33,062,526</u>
Change in Net Position				\$ 8,606,560
Net Position, July 1, 2021				<u>\$ 39,179,794</u>
Net Position, June 30, 2022				<u>\$ 47,786,354</u>

Exhibit J-2

Hardin County, Tennessee

Balance Sheet - Governmental Funds

Discretely Presented Hardin County School Department

June 30, 2022

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds		
<b>ASSETS</b>					
Cash	\$ 0	\$ 0	\$ 1,267,668	\$ 1,267,668	
Equity in Pooled Cash and Investments	8,933,723	123,490	2,111,774	11,168,987	
Accounts Receivable	3,463	0	0	3,463	
Due from Other Governments	1,772,941	692,579	0	2,465,520	
Property Taxes Receivable	8,958,383	0	0	8,958,383	
Allowance for Uncollectible Property Taxes	(340,448)	0	0	(340,448)	
Restricted Assets	233,472	0	0	233,472	
<b>Total Assets</b>	<b>\$ 19,561,534</b>	<b>\$ 816,069</b>	<b>\$ 3,379,442</b>	<b>\$ 23,757,045</b>	
<b>LIABILITIES</b>					
Accounts Payable	\$ 158,663	\$ 566,069	\$ 0	\$ 724,732	
Payroll Deductions Payable	182,999	0	0	182,999	
Due to Primary Government	424,143	0	0	424,143	
<b>Total Liabilities</b>	<b>\$ 765,805</b>	<b>\$ 566,069</b>	<b>\$ 0</b>	<b>\$ 1,331,874</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Current Property Taxes	\$ 8,375,349	\$ 0	\$ 0	\$ 8,375,349	
Deferred Delinquent Property Taxes	227,336	0	0	227,336	
Other Deferred/Unavailable Revenue	615,699	0	0	615,699	
<b>Total Deferred Inflows of Resources</b>	<b>\$ 9,218,384</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,218,384</b>	

(Continued)

Exhibit J-2

Hardin County, Tennessee

Balance Sheet - Governmental Funds

Discretely Presented Hardin County School Department (Cont.)

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds		
<b><u>FUND BALANCES</u></b>					
Restricted:					
Restricted for Education	\$ 0	\$ 0	\$ 1,267,668	\$ 1,267,668	
Restricted for Instruction	6,947	0	0	0	6,947
Restricted for Operation of Non-instructional Services	0	0	2,109,155	2,109,155	
Restricted for Capital Projects	0	0	2,619	2,619	
Restricted for Hybrid Retirement Stabilization Funds	233,472	0	0	0	233,472
Committed:					
Committed for Education	1,755,911	0	0	0	1,755,911
Committed for Other Purposes	150,000	0	0	0	150,000
Assigned:					
Assigned for Education	0	250,000	0	0	250,000
Unassigned	7,431,015	0	0	0	7,431,015
Total Fund Balances	\$ 9,577,345	\$ 250,000	\$ 3,379,442	\$ 13,206,787	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,561,534	\$ 816,069	\$ 3,379,442	\$ 23,757,045	

Exhibit J-3

Hardin County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
Discretely Presented Hardin County School Department  
June 30, 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)	\$ 13,206,787
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: land	\$ 1,217,760
Add: construction in progress	135,473
Add: buildings and improvements net of accumulated depreciation	31,763,622
Add: other capital assets net of accumulated depreciation	<u>533,811</u>
	33,650,666
(2) Internal service funds are used by management to charge the costs of employee insurance benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	106,320
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Less: contributions due on primary government debt for other loans	\$ (1,470,148)
Less: compensated absences payable	(513,010)
Less: net OPEB liability	<u>(6,056,353)</u>
	(8,039,511)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.	
Add: deferred outflows of resources related to pensions	\$ 6,573,928
Less: deferred inflows of resources related to pensions	(15,994,044)
Add: deferred outflows related to OPEB	839,980
Less: deferred inflows related to OPEB	<u>(2,035,820)</u>
	(10,615,956)
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.	
Add: net pension asset - agent plan	\$ 2,185,353
Add: net pension asset - teacher retirement plan	223,266
Add: net pension asset - teacher legacy pension plan	<u>16,226,394</u>
	18,635,013
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	<u>843,035</u>
Net position of governmental activities (Exhibit A)	<u>\$ 47,786,354</u>

Exhibit J-4

Hardin County, Tennessee

Statement of Revenues, Expenditures,

and Changes in Fund Balances -

Governmental Funds

Discretely Presented Hardin County School Department

For the Year Ended June 30, 2022

				Nonmajor Funds		Total Governmental Funds			
	Major Funds		Other Govern- mental Funds						
	General Purpose School	School Federal Projects							
<b>Revenues</b>									
Local Taxes	\$ 15,491,820	\$ 0	\$ 0	\$ 0	\$ 15,491,820				
Licenses and Permits	718	0	0	0	718				
Charges for Current Services	31,905	0	126,484		158,389				
Other Local Revenues	25,940	0	1,432,435		1,458,375				
State of Tennessee	18,926,095	0	0		18,926,095				
Federal Government	102,401	6,549,221	2,906,745		9,558,367				
Total Revenues	\$ 34,578,879	\$ 6,549,221	\$ 4,465,664	\$ 45,593,764					
<b>Expenditures</b>									
Current:									
Instruction	\$ 16,166,366	\$ 2,383,081	\$ 0	\$ 0	\$ 18,549,447				
Support Services	11,795,395	1,723,246	0	0	13,518,641				
Operation of Non-Instructional Services	795,916	320,469	3,544,969		4,661,354				
Capital Outlay	731,102	2,122,425	0		2,853,527				
Debt Service:									
Other Debt Service	2,588,044	0	0	0	2,588,044				
Total Expenditures	\$ 32,076,823	\$ 6,549,221	\$ 3,544,969	\$ 42,171,013					
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,502,056	\$ 0	\$ 920,695	\$ 3,422,751					
<b>Other Financing Sources (Uses)</b>									
Insurance Recovery	\$ 157,666	\$ 0	\$ 0	\$ 0	\$ 157,666				
Total Other Financing Sources (Uses)	\$ 157,666	\$ 0	\$ 0	\$ 0	\$ 157,666				
Net Change in Fund Balances	\$ 2,659,722	\$ 0	\$ 920,695	\$ 3,580,417					
Fund Balance, July 1, 2021	6,917,623	250,000	2,458,747		9,626,370				
Fund Balance, June 30, 2022	\$ 9,577,345	\$ 250,000	\$ 3,379,442	\$ 13,206,787					

Exhibit J-5

Hardin County, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

Discretely Presented Hardin County School Department

For the Year Ended June 30, 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)		\$ 3,580,417
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,139,232	
Less: current-year depreciation expense	<u>(2,723,585)</u>	415,647
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(141,869)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2022	\$ 843,035	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(772,047)</u>	70,988
(4) The contributions of long-term debt (e.g., other loans) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on other loans to primary government		245,025
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 4,633	
Change in net OPEB liability	373,544	
Change in deferred outflows related to OPEB	(184,327)	
Change in deferred inflows related to OPEB	(14,099)	
Change in net pension asset - agent plan	1,282,403	
Change in net pension asset - teacher retirement plan	107,335	
Change in net pension asset - teacher legacy pension plan	13,456,355	
Change in deferred outflows related to pensions	3,917,309	
Change in deferred inflows related to pensions	<u>(14,499,891)</u>	4,443,262
(6) Internal service funds are used by management to charge the costs of employee insurance benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(6,910)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,606,560</u>

Exhibit J-6

Hardin County, Tennessee

Combining Balance Sheet - Nonmajor Governmental Funds

Discretely Presented Hardin County School Department

June 30, 2022

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education	Capital Projects	
<b>ASSETS</b>						
Cash	\$ 0	\$ 1,267,668	\$ 1,267,668	\$ 0	\$ 1,267,668	
Equity in Pooled Cash and Investments	\$ 2,109,155	\$ 0	\$ 2,109,155	\$ 2,619	\$ 2,111,774	
<b>Total Assets</b>	<b>\$ 2,109,155</b>	<b>\$ 1,267,668</b>	<b>\$ 3,376,823</b>	<b>\$ 2,619</b>	<b>\$ 3,379,442</b>	
<b>FUND BALANCES</b>						
Restricted:						
Restricted for Education	\$ 0	\$ 1,267,668	\$ 1,267,668	\$ 0	\$ 1,267,668	
Restricted for Operation of Non-instructional Services	\$ 2,109,155	\$ 0	\$ 2,109,155	\$ 0	\$ 2,109,155	
Restricted for Capital Projects	\$ 0	\$ 0	\$ 0	\$ 2,619	\$ 2,619	
<b>Total Fund Balances</b>	<b>\$ 2,109,155</b>	<b>\$ 1,267,668</b>	<b>\$ 3,376,823</b>	<b>\$ 2,619</b>	<b>\$ 3,379,442</b>	

Exhibit J-7

Hardin County, Tennessee

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds

Discretely Presented Hardin County School Department  
For the Year Ended June 30, 2022

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds	
	Central Cafeteria	Internal School	Total	Education	Capital Projects		
				Capital Projects			
<b>Revenues</b>							
Charges for Current Services	\$ 126,484	\$ 0	\$ 126,484	\$ 0	\$ 126,484		
Other Local Revenues	32,448	1,399,987	1,432,435	0	1,432,435		
Federal Government	2,906,745	0	2,906,745	0	2,906,745		
<b>Total Revenues</b>	<b>\$ 3,065,677</b>	<b>\$ 1,399,987</b>	<b>\$ 4,465,664</b>	<b>\$ 0</b>	<b>\$ 4,465,664</b>		
<b>Expenditures</b>							
<b>Current:</b>							
Operation of Non-Instructional Services	\$ 2,242,992	\$ 1,301,977	\$ 3,544,969	\$ 0	\$ 3,544,969		
<b>Total Expenditures</b>	<b>\$ 2,242,992</b>	<b>\$ 1,301,977</b>	<b>\$ 3,544,969</b>	<b>\$ 0</b>	<b>\$ 3,544,969</b>		
Excess (Deficiency) of Revenues Over Expenditures	\$ 822,685	\$ 98,010	\$ 920,695	\$ 0	\$ 920,695		
Net Change in Fund Balances	\$ 822,685	\$ 98,010	\$ 920,695	\$ 0	\$ 920,695		
Fund Balance, July 1, 2021	1,286,470	1,169,658	2,456,128	2,619	2,458,747		
<b>Fund Balance, June 30, 2022</b>	<b>\$ 2,109,155</b>	<b>\$ 1,267,668</b>	<b>\$ 3,376,823</b>	<b>\$ 2,619</b>	<b>\$ 3,379,442</b>		

Exhibit J-8

Hardin County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Discretely Presented Hardin County School Department

General Purpose School Fund

For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 15,491,820	\$ 13,401,370	\$ 13,881,370	\$ 1,610,450
Licenses and Permits	718	500	500	218
Charges for Current Services	31,905	25,500	25,500	6,405
Other Local Revenues	25,940	26,770	31,060	(5,120)
State of Tennessee	18,926,095	18,796,051	19,388,855	(462,760)
Federal Government	102,401	15,000	102,401	0
<b>Total Revenues</b>	<b>\$ 34,578,879</b>	<b>\$ 32,265,191</b>	<b>\$ 33,429,686</b>	<b>\$ 1,149,193</b>
<b>Expenditures</b>				
<u>Instruction</u>				
Regular Instruction Program	\$ 13,116,234	\$ 13,807,380	\$ 13,860,981	\$ 744,747
Alternative Instruction Program	222,395	227,269	227,269	4,874
Special Education Program	1,550,988	1,638,114	1,692,236	141,248
Career and Technical Education Program	1,276,749	1,208,996	1,315,799	39,050
<u>Support Services</u>				
Attendance	242,904	234,419	248,366	5,462
Health Services	440,963	462,874	474,428	33,465
Other Student Support	1,015,787	1,042,460	1,055,208	39,421
Regular Instruction Program	985,557	947,545	1,026,303	40,746
Alternative Instruction Program	96,177	103,309	103,309	7,132
Special Education Program	336,444	402,080	402,080	65,636
Career and Technical Education Program	123,607	125,322	129,335	5,728
Technology	442,564	551,218	544,501	101,937
Board of Education	780,012	964,867	990,423	210,411
Director of Schools	288,775	290,281	301,626	12,851
Office of the Principal	1,614,691	1,623,796	1,653,703	39,012
Fiscal Services	252,980	264,235	264,235	11,255
Operation of Plant	2,503,028	2,467,380	2,641,713	138,685
Maintenance of Plant	870,081	908,669	917,555	47,474
Transportation	1,801,825	1,912,459	1,980,739	178,914
<u>Operation of Non-Instructional Services</u>				
Food Service	212,361	219,612	219,612	7,251
Early Childhood Education	583,555	581,734	599,792	16,237
<u>Capital Outlay</u>				
Regular Capital Outlay	731,102	210,804	994,102	263,000
<u>Principal on Debt</u>				
Education	0	245,025	0	0
<u>Interest on Debt</u>				
Education	0	31,545	0	0
<u>Other Debt Service</u>				
Education	2,588,044	1,793,798	2,620,368	32,324
<b>Total Expenditures</b>	<b>\$ 32,076,823</b>	<b>\$ 32,265,191</b>	<b>\$ 34,263,683</b>	<b>\$ 2,186,860</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	\$ 2,502,056	\$ 0	\$ (833,997)	\$ 3,336,053

(Continued)

Exhibit J-8

Hardin County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Discretely Presented Hardin County School Department

General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 157,666	\$ 0	\$ 151,490	\$ 6,176
Total Other Financing Sources	\$ 157,666	\$ 0	\$ 151,490	\$ 6,176
Net Change in Fund Balance	\$ 2,659,722	\$ 0	\$ (682,507)	\$ 3,342,229
Fund Balance, July 1, 2021	6,917,623	5,672,294	5,672,294	1,245,329
Fund Balance, June 30, 2022	<u>\$ 9,577,345</u>	<u>\$ 5,672,294</u>	<u>\$ 4,989,787</u>	<u>\$ 4,587,558</u>

Exhibit J-9

Hardin County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Discretely Presented Hardin County School Department

School Federal Projects Fund

For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
<b>Revenues</b>				
Federal Government	\$ 6,549,221	\$ 13,870,414	\$ 14,901,887	\$ (8,352,666)
Total Revenues	\$ 6,549,221	\$ 13,870,414	\$ 14,901,887	\$ (8,352,666)
<b>Expenditures</b>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,745,739	\$ 2,227,560	\$ 2,090,262	\$ 344,523
Special Education Program	574,361	476,268	681,219	106,858
Career and Technical Education Program	62,981	190,754	207,590	144,609
<u>Support Services</u>				
Health Services	6,539	0	11,039	4,500
Other Student Support	283,829	629,272	684,554	400,725
Regular Instruction Program	605,953	645,819	841,447	235,494
Special Education Program	286,253	316,133	435,169	148,916
Career and Technical Education Program	300	3,920	300	0
Technology	36,522	0	36,522	0
Operation of Plant	382,483	2,105,865	2,116,000	1,733,517
Transportation	121,367	601,923	179,451	58,084
<u>Operation of Non-Instructional Services</u>				
Food Service	4,050	90,000	35,000	30,950
Community Services	316,419	340,100	594,930	278,511
<u>Capital Outlay</u>				
Regular Capital Outlay	2,122,425	6,242,800	6,999,860	4,877,435
Total Expenditures	\$ 6,549,221	\$ 13,870,414	\$ 14,913,343	\$ 8,364,122
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ (11,456)	\$ 11,456
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 321,390	\$ 17,834	\$ (17,834)
Transfers Out	0	(321,390)	(6,377)	6,377
Total Other Financing Sources	\$ 0	\$ 0	\$ 11,457	\$ (11,457)
Net Change in Fund Balance Fund Balance, July 1, 2021	\$ 250,000	\$ 399	\$ 399	\$ 249,601
Fund Balance, June 30, 2022	\$ 250,000	\$ 399	\$ 400	\$ 249,600

Exhibit J-10

Hardin County, Tennessee

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Actual and Budget

Discretely Presented Hardin County School Department

Central Cafeteria Fund

For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Charges for Current Services	\$ 126,484	\$ 130,000	\$ 130,000	\$ (3,516)
Other Local Revenues	32,448	25,000	25,000	7,448
Federal Government	2,906,745	2,244,816	2,357,110	549,635
<b>Total Revenues</b>	<b>\$ 3,065,677</b>	<b>\$ 2,399,816</b>	<b>\$ 2,512,110</b>	<b>\$ 553,567</b>
<b>Expenditures</b>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,242,992	\$ 2,379,557	\$ 2,491,851	\$ 248,859
<b>Total Expenditures</b>	<b>\$ 2,242,992</b>	<b>\$ 2,379,557</b>	<b>\$ 2,491,851</b>	<b>\$ 248,859</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 822,685	\$ 20,259	\$ 20,259	\$ 802,426
Net Change in Fund Balance	\$ 822,685	\$ 20,259	\$ 20,259	\$ 802,426
Fund Balance, July 1, 2021	1,286,470	1,258,009	1,258,009	28,461
<b>Fund Balance, June 30, 2022</b>	<b>\$ 2,109,155</b>	<b>\$ 1,278,268</b>	<b>\$ 1,278,268</b>	<b>\$ 830,887</b>

Exhibit J-11

Hardin County, Tennessee  
Statement of Net Position - Proprietary Fund  
Discretely Presented Hardin County School Department  
June 30, 2022

Governmental  
Activities -  
Internal  
Service Fund  
Employee  
Insurance -  
Fund

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ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 132,215
Total Assets	<hr/> \$ 132,215

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 25,895
Total Liabilities	<hr/> \$ 25,895

NET POSITION

Restricted for Other Purposes	\$ 106,320
Total Net Position	<hr/> \$ 106,320

Exhibit J-12

Hardin County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Position  
Discretely Presented Hardin County School Department  
Proprietary Fund  
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund	Employee Insurance Fund
<u><b>Operating Revenues</b></u>		
<u><b>Charges for Current Services</b></u>		
Self-Insurance Premiums/Contributions	\$ 217,195	
Total Operating Revenues	<u>\$ 217,195</u>	
<u><b>Operating Expenses</b></u>		
<u><b>Employee Benefits</b></u>		
Handling Charges and Administrative Costs	\$ 19,058	
Medical Claims	<u>205,047</u>	
Total Operating Expenses	<u>\$ 224,105</u>	
Operating Income (Loss)	<u>\$ (6,910)</u>	
 Change in Net Position	 \$ (6,910)	
Net Position, July 1, 2021	<u>113,230</u>	
 Net Position, June 30, 2022	 <u>\$ 106,320</u>	

Hardin County, Tennessee  
Statement of Cash Flows  
Discretely Presented Hardin County School Department  
Proprietary Fund  
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund	Employee Insurance Fund
<b>Cash Flows from Operating Activities</b>		
Receipts from Self-Insurance Premiums	\$ 217,195	
Payments to Fiscal Agents	(19,058)	
Payments for Claims	(190,913)	
Net Cash Provided By (Used In) Operating Activities	<u>\$ 7,224</u>	
Increase (Decrease) in Cash	\$ 7,224	
Cash, July 1, 2021	<u>124,991</u>	
Cash, June 30, 2022	<u><u>\$ 132,215</u></u>	
<b>Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities</b>		
Operating Income (Loss)	\$ (6,910)	
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Changes in Assets and Liabilities:		
Increase in Accounts Payable	<u>14,134</u>	
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 7,224</u></u>	
<b>Reconciliation of Cash With the Statement of Net Position</b>		
Cash Per Net Position	<u><u>\$ 132,215</u></u>	
Cash, June 30, 2022	<u><u>\$ 132,215</u></u>	

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## **MISCELLANEOUS SCHEDULES**

Exhibit K-1

Hardin County, Tennessee

Schedule of Changes in Long-term Note, Other Loans, 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
<b><u>NOTE PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
Capital Outlay Note, Series 2017 - Jail Expansion/Parking	\$ 250,000	2.75 %	12-4-17	12-4-27	\$ 182,068	\$ 0	\$ 23,917	\$ 158,151
Total Note Payable					\$ 182,068	\$ 0	\$ 23,917	\$ 158,151
<b><u>OTHER LOANS PAYABLE</u></b>								
<u>Payable through General Fund</u>								
Commercial Pumper	241,750	3.79	3-31-14	5-1-23	\$ 53,933	\$ 0	\$ 26,466	\$ 27,467
Commercial Pumper	418,200	2.98	4-18-17	7-31-26	259,817	0	40,146	219,671
Fire Tanker	197,834	2.95	10-21-19	10-24-26	171,976	0	26,620	145,356
Freightliner Pumper	288,278	3.30	1-7-22	6-7-31	0	288,278	31,010	257,268
Total Payable through General Fund					\$ 485,726	\$ 288,278	\$ 124,242	\$ 649,762
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>								
Energy Management Project	1,782,319	3.05	6-20-12	11-20-26	\$ 801,642	\$ 0	\$ 135,969	\$ 665,673
Energy Efficient Schools Initiative	1,330,336	1	7-14-16	7-1-29	913,531	0	109,056	804,475
<u>Payable through General Debt Service Fund</u>								
Front Loader	268,959	3.48	1-7-22	2-7-25	0	268,929	70,202	198,727
Total Payable through General Debt Service Fund					\$ 1,715,173	\$ 268,929	\$ 315,227	\$ 1,668,875
Total Other Loan Payable					\$ 2,200,899	\$ 557,207	\$ 439,469	\$ 2,318,637
<b><u>BONDS PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding Bonds, Series 2016A	8,500,000	2 to 2.75	5-20-16	6-1-37	\$ 6,800,000	\$ 0	\$ 360,000	\$ 6,440,000
General Obligation Refunding Bonds, Series 2016B	2,000,000	2	5-20-16	6-1-27	1,140,000	0	180,000	960,000
Total Payable through General Debt Service Fund					\$ 7,940,000	\$ 0	\$ 540,000	\$ 7,400,000
<u>Payable through Rural Debt Service Fund</u>								
General Obligation Refunding Bonds, Series 2019	26,575,000	3 to 5	10-18-19	6-1-39	\$ 24,075,000	\$ 0	\$ 1,465,000	\$ 22,610,000
Total Payable through Rural Debt Service Fund					\$ 24,075,000	\$ 0	\$ 1,465,000	\$ 22,610,000
Total Bonds Payable					\$ 32,015,000	\$ 0	\$ 2,005,000	\$ 30,010,000

Exhibit K-2

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

Year Ending June 30	Note		
	Principal	Interest	Total
2023	\$ 24,584	\$ 4,410	\$ 28,994
2024	25,270	3,725	28,995
2025	25,966	3,028	28,994
2026	26,698	2,296	28,994
2027	27,442	1,552	28,994
2028	28,191	786	28,977
<b>Total</b>	<b>\$ 158,151</b>	<b>\$ 15,797</b>	<b>\$ 173,948</b>
Year Ending June 30	Other Loans		
	Principal	Interest	Total
2023	\$ 435,526	\$ 47,559	\$ 483,085
2024	418,632	42,541	461,173
2025	429,518	27,947	457,465
2026	369,747	19,134	388,881
2027	299,043	10,376	309,419
2028	145,225	5,976	151,201
2029	147,360	3,842	151,202
2030	41,150	2,121	43,271
2031	32,436	1,070	33,506
<b>Total</b>	<b>\$ 2,318,637</b>	<b>\$ 160,566</b>	<b>\$ 2,479,203</b>
Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 2,035,000	\$ 1,039,775	\$ 3,074,775
2024	2,105,000	954,675	3,059,675
2025	2,170,000	866,375	3,036,375
2026	2,205,000	775,125	2,980,125
2027	1,850,000	682,425	2,532,425
2028	1,660,000	607,925	2,267,925
2029	1,670,000	537,225	2,207,225
2030	1,685,000	466,175	2,151,175
2031	1,695,000	418,813	2,113,813
2032	1,705,000	371,225	2,076,225
2033	1,715,000	322,300	2,037,300
2034	1,730,000	273,125	2,003,125
2035	1,745,000	229,875	1,974,875
2036	1,755,000	178,725	1,933,725
2037	1,765,000	127,300	1,892,300
2038	1,260,000	75,600	1,335,600
2039	1,260,000	37,800	1,297,800
<b>Total</b>	<b>\$ 30,010,000</b>	<b>\$ 7,964,463</b>	<b>\$ 37,974,463</b>

Exhibit K-3

Hardin County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Drug Control	Operations	\$ 70,000
"	General Debt Service	Debt retirement	544,994
Highway/Public Works	"	"	<u>202,800</u>
Total Transfers			<u>\$ 817,794</u>

## Exhibit K-4

Hardin County, TennesseeSchedule of Salaries and Official Bonds of Principal OfficialsPrimary Government and Discretely Presented Hardin County School DepartmentFor 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 113, Private Acts of 1929, as amended	\$ 102,730 (1)	\$ 100,000	RLI Insurance Company
Highway Commissioner:				
Steve Cromwell (7-1-21 through 9-30-21)	Section 8-24-102, <i>TCA</i>	26,464	100,000	"
Wesley Jerrolds (1-20-22 through 6-30-22)	Section 8-24-102, <i>TCA</i>	36,987	100,000	"
Director of Schools	State Board of Education and Hardin County Board of Education	104,238 (2)	400,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i>	82,281	1,312,589	Auto Owners Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	82,281	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	82,281	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	82,281	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	82,281	105,000	Western Surety Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	82,281	100,000	RLI Insurance Company
Sheriff		91,309 (3)	100,000	"
Employee Blanket Bonds:				
Office of County Mayor:				
Director of Accounts and Budget			100,000	RLI Insurance Company
All Other Employees			150,000	Local Government Property and Casualty Fund
Office of Highway Commissioner			150,000	"
Office of Director of Schools			400,000	Tennessee Risk Management Trust

(1) Includes a vehicle allowance of \$6,000 and \$1,696 for serving as a secretary to the Highway Commission.

(2) Includes chief executive officer training supplement of \$1,000 and a bonus payment of \$775.

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

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

For the Year Ended June 30, 2022

	Special Revenue Funds				Debt Service Funds	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<b>Local Taxes</b>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,930,643	\$ 221,983	\$ 0	\$ 739,947	\$ 221,985	
Trustee's Collections - Prior Year	162,632	6,514	0	21,714	6,514	
Circuit Clerk/Clerk and Master Collections - Prior Years	74,037	2,772	0	9,233	2,800	
Interest and Penalty	65,395	2,666	0	8,886	2,735	
Payments in-Lieu of Taxes - Local Utilities	1,718	64	0	215	64	
Payments in-Lieu of Taxes - Other	13,432	221	0	735	221	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	150,529	902,185	0	0	0	
Hotel/Motel Tax	420,258	0	0	0	0	
Wheel Tax	1,067,911	0	0	124,030	0	
Litigation Tax - General	91,779	0	0	0	0	
Litigation Tax - Jail, Workhouse, or Courthouse	24,303	0	0	0	0	
Business Tax	450,107	0	0	0	0	
Mixed Drink Tax	39,812	0	0	0	0	
Mineral Severance Tax	0	0	0	83,552	0	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	5,708	0	18,868	6,303	
Wholesale Beer Tax	0	256,937	0	0	0	
<b>Total Local Taxes</b>	<b>\$ 8,492,556</b>	<b>\$ 1,399,050</b>	<b>\$ 0</b>	<b>\$ 1,007,180</b>	<b>\$ 240,622</b>	
<b>Licenses and Permits</b>						
<u>Licenses</u>						
Marriage Licenses	\$ 717	\$ 0	\$ 0	\$ 0	\$ 0	
Cable TV Franchise	96,950	0	0	0	0	

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds		
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service		
<u>Licenses and Permits (Cont.)</u>							
<u>Permits</u>							
Beer Permits	\$ 4,093	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Total Licenses and Permits	\$ 101,760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 950	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Officers Costs	5,262	0	0	0	0	0	
Drug Control Fines	6,652	0	6,270	0	0	0	
Drug Court Fees	1,096	0	0	0	0	0	
DUI Treatment Fines	287	0	0	0	0	0	
Data Entry Fee - Circuit Court	1,368	0	0	0	0	0	
<u>General Sessions Court</u>							
Fines	23,442	0	0	0	0	0	
Officers Costs	40,497	0	0	0	0	0	
Game and Fish Fines	1,647	0	0	0	0	0	
Drug Control Fines	6,485	0	238	0	0	0	
Drug Court Fees	4,932	0	0	0	0	0	
Jail Fees	2,438	0	0	0	0	0	
DUI Treatment Fines	9,624	0	0	0	0	0	
Data Entry Fee - General Sessions Court	9,195	0	0	0	0	0	
Courtroom Security Fee	1,297	0	0	0	0	0	
<u>Juvenile Court</u>							
Fines	48	0	0	0	0	0	
<u>Chancery Court</u>							
Data Entry Fee - Chancery Court	5,434	0	0	0	0	0	

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds		
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service		
<b>Fines, Forfeitures, and Penalties (Cont.)</b>							
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	\$ 1,500	\$ 0	\$ 2,031	\$ 0	\$ 0	\$ 0	
Total Fines, Forfeitures, and Penalties	\$ 122,154	\$ 0	\$ 8,539	\$ 0	\$ 0	\$ 0	
<b>Charges for Current Services</b>							
<u>General Service Charges</u>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 352,588	\$ 0	\$ 0	\$ 0	\$ 0	
Surcharge - Waste Tire Disposal	0	35,076	0	0	0	0	
Other General Service Charges	35,786	68	0	0	0	0	
<u>Fees</u>							
Library Fees	6,328	0	0	0	0	0	
Greenbelt Late Application Fee	100	0	0	0	0	0	
Telephone Commissions	106,418	0	0	0	0	0	
Data Processing Fee - Register	13,710	0	0	0	0	0	
Data Processing Fee - Sheriff	2,562	0	0	0	0	0	
Sexual Offender Registration Fee - Sheriff	3,450	0	0	0	0	0	
Data Processing Fee - County Clerk	2,883	0	0	0	0	0	
Vehicle Registration Reinstatement Fees	880	0	0	0	0	0	
Total Charges for Current Services	\$ 172,117	\$ 387,732	\$ 0	\$ 0	\$ 0	\$ 0	
<b>Other Local Revenues</b>							
<u>Recurring Items</u>							
Investment Income	\$ 43,945	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Lease/Rentals	87,108	0	0	0	44,600	0	
Commissary Sales	19,477	0	0	0	0	0	
Miscellaneous Refunds	134,815	1,071	0	8,342	0	0	

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Other Local Revenues (Cont.)</u>						
Nonrecurring Items						
Sale of Equipment	\$ 202,792	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Local Revenues						
Other Local Revenues	0	0	0	0	0	104,041
Total Other Local Revenues	\$ 488,137	\$ 1,071	\$ 0	\$ 8,342	\$ 0	\$ 148,641
<u>Fees Received From County Officials</u>						
Fees In-Lieu-of Salary						
County Clerk	\$ 440,193	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	76,230	0	0	0	0	0
General Sessions Court Clerk	189,617	0	0	0	0	0
Clerk and Master	105,558	0	0	0	0	0
Register	199,803	0	0	0	0	0
Sheriff	10,567	0	0	0	0	0
Trustee	574,632	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,596,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	32,673	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	24,800	0	5,050	0	0	0
Other Public Safety Grants	4,800	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	134,572	0	0	0	0	0

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds		
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service		
<u>State of Tennessee (Cont.)</u>							
<u>Public Works Grants</u>							
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 437,512	\$ 0	0	
State Aid Program	0	0	0	555,510	0	0	
Litter Program	38,571	0	0	0	0	0	
<u>Other State Revenues</u>							
Income Tax	2,776	0	0	0	0	0	
Resort District Sales Tax	1,241,319	0	0	0	0	0	
Beer Tax	19,194	0	0	0	0	0	
Vehicle Certificate of Title Fees	5,469	0	0	0	0	0	
Alcoholic Beverage Tax	94,934	0	0	0	0	0	
State Revenue Sharing - T.V.A.	538,300	0	0	42,800	20,933		
State Revenue Sharing - Telecommunications	48,704	0	0	0	0	0	
State Shared Sports Gaming Privilege Tax	16,852	0	0	0	0	0	
Contracted Prisoner Boarding	672,477	0	0	0	0	0	
Gasoline and Motor Fuel Tax	0	0	0	2,716,997	0	0	
Petroleum Special Tax	0	0	0	17,944	0	0	
Registrar's Salary Supplement	15,164	0	0	0	0	0	
Other State Grants	377,332	75,000	0	0	0	0	
Other State Revenues	52,964	0	0	0	0	0	
Total State of Tennessee	\$ 3,329,901	\$ 75,000	\$ 5,050	\$ 3,770,763	\$ 20,933		
<u>Federal Government</u>							
<u>Federal Through State</u>							
Homeland Security Grants	\$ 36,634	\$ 0	\$ 0	\$ 0	\$ 0	0	
COVID-19 Grant #1	6,376	0	0	0	0	0	
COVID-19 Grant #2	3,000	0	0	0	0	0	

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Funds		
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service		
<b>Federal Government (Cont.)</b>							
<b>Federal Through State (Cont.)</b>							
American Rescue Plan Act Grant #1	\$ 9,487	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Other Federal through State	4,700	0	0	0	0	0	
Total Federal Government	<u>\$ 60,197</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	
<b>Other Governments and Citizens Groups</b>							
<b>Other Governments</b>							
Contributions	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 633,827	
Contracted Services	73,729	7,606	0	0	0	0	
<b>Citizens Groups</b>							
Donations	56,934	0	5,901	0	0	0	
<b>Other</b>							
Other	2,307	0	0	0	0	0	
Total Other Governments and Citizens Groups	<u>\$ 133,970</u>	<u>\$ 7,606</u>	<u>\$ 5,901</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 633,827</u>	
Total	<u><u>\$ 14,497,392</u></u>	<u><u>\$ 1,870,459</u></u>	<u><u>\$ 19,490</u></u>	<u><u>\$ 4,786,285</u></u>	<u><u>\$ 1,044,023</u></u>		

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

		Debt Service Fund		
		Rural Debt Service		Total
<b>Local Taxes</b>				
<u>County Property Taxes</u>				
Current Property Tax		\$ 0	\$ 7,114,558	
Trustee's Collections - Prior Year		0	197,374	
Circuit Clerk/Clerk and Master Collections - Prior Years		0	88,842	
Interest and Penalty		0	79,682	
Payments in-Lieu-of Taxes - Local Utilities		0	2,061	
Payments in-Lieu-of Taxes - Other		0	14,609	
<u>County Local Option Taxes</u>				
Local Option Sales Tax		555,153	1,607,867	
Hotel/Motel Tax		0	420,258	
Wheel Tax		0	1,191,941	
Litigation Tax - General		0	91,779	
Litigation Tax - Jail, Workhouse, or Courthouse		0	24,303	
Business Tax		0	450,107	
Mixed Drink Tax		0	39,812	
Mineral Severance Tax		0	83,552	
<u>Statutory Local Taxes</u>				
Bank Excise Tax		0	30,879	
Wholesale Beer Tax		0	256,937	
<b>Total Local Taxes</b>		<b>\$ 555,153</b>	<b>\$ 11,694,561</b>	
<b>Licenses and Permits</b>				
<u>Licenses</u>				
Marriage Licenses		\$ 0	\$ 717	
Cable TV Franchise		0	96,950	

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

			Debt Service Fund	
			Rural Debt Service	Total
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Beer Permits		\$ 0	\$ 4,093	
Total Licenses and Permits		\$ 0	\$ 101,760	
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines		\$ 0	\$ 950	
Officers Costs		0	5,262	
Drug Control Fines		0	12,922	
Drug Court Fees		0	1,096	
DUI Treatment Fines		0	287	
Data Entry Fee - Circuit Court		0	1,368	
<u>General Sessions Court</u>				
Fines		0	23,442	
Officers Costs		0	40,497	
Game and Fish Fines		0	1,647	
Drug Control Fines		0	6,723	
Drug Court Fees		0	4,932	
Jail Fees		0	2,438	
DUI Treatment Fines		0	9,624	
Data Entry Fee - General Sessions Court		0	9,195	
Courtroom Security Fee		0	1,297	
<u>Juvenile Court</u>				
Fines		0	48	
<u>Chancery Court</u>				
Data Entry Fee - Chancery Court		0	5,434	

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	Debt Service Fund		
	Rural Debt Service		Total
<b>Fines, Forfeitures, and Penalties (Cont.)</b>			
<b>Other Fines, Forfeitures, and Penalties</b>			
Proceeds from Confiscated Property	\$ 0	\$ 3,531	
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 130,693</u>	
<b>Charges for Current Services</b>			
<b>General Service Charges</b>			
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 352,588	
Surcharge - Waste Tire Disposal	0	35,076	
Other General Service Charges	0	35,854	
<b>Fees</b>			
Library Fees	0	6,328	
Greenbelt Late Application Fee	0	100	
Telephone Commissions	0	106,418	
Data Processing Fee - Register	0	13,710	
Data Processing Fee - Sheriff	0	2,562	
Sexual Offender Registration Fee - Sheriff	0	3,450	
Data Processing Fee - County Clerk	0	2,883	
Vehicle Registration Reinstatement Fees	0	880	
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 559,849</u>	
<b>Other Local Revenues</b>			
<b>Recurring Items</b>			
Investment Income	\$ 4,070	\$ 48,015	
Lease/Rentals	0	131,708	
Commissary Sales	0	19,477	
Miscellaneous Refunds	0	144,228	

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

	Debt Service Fund		
	Rural Debt Service		Total
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items</u>			
Sale of Equipment	\$ 0	\$ 202,792	
<u>Other Local Revenues</u>			
Other Local Revenues	0	104,041	
Total Other Local Revenues	<u>\$ 4,070</u>	<u>\$ 650,261</u>	
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 440,193	
Circuit Court Clerk	0	76,230	
General Sessions Court Clerk	0	189,617	
Clerk and Master	0	105,558	
Register	0	199,803	
Sheriff	0	10,567	
Trustee	0	574,632	
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,596,600</u>	
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 9,000	
Aging Programs	0	32,673	
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	29,850	
Other Public Safety Grants	0	4,800	
<u>Health and Welfare Grants</u>			
Health Department Programs	0	134,572	

(Continued)

Exhibit K-5

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types (Cont.)

		Debt Service Fund		
		Rural Debt Service		Total
<b>State of Tennessee (Cont.)</b>				
<u>Public Works Grants</u>				
Bridge Program	\$ 0	\$ 437,512		
State Aid Program	0	555,510		
Litter Program	0	38,571		
<u>Other State Revenues</u>				
Income Tax	0	2,776		
Resort District Sales Tax	0	1,241,319		
Beer Tax	0	19,194		
Vehicle Certificate of Title Fees	0	5,469		
Alcoholic Beverage Tax	0	94,934		
State Revenue Sharing - T.V.A.	0	602,033		
State Revenue Sharing - Telecommunications	0	48,704		
State Shared Sports Gaming Privilege Tax	0	16,852		
Contracted Prisoner Boarding	0	672,477		
Gasoline and Motor Fuel Tax	0	2,716,997		
Petroleum Special Tax	0	17,944		
Registrar's Salary Supplement	0	15,164		
Other State Grants	0	452,332		
Other State Revenues	0	52,964		
<b>Total State of Tennessee</b>	<b>\$ 0</b>	<b>\$ 7,201,647</b>		
<b>Federal Government</b>				
<u>Federal Through State</u>				
Homeland Security Grants	\$ 0	\$ 36,634		
COVID-19 Grant #1	0	6,376		
COVID-19 Grant #2	0	3,000		

(Continued)

## Exhibit K-5

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

	Debt Service Fund		
	Rural Debt Service		Total
<b>Federal Government (Cont.)</b>			
<b>Federal Through State (Cont.)</b>			
American Rescue Plan Act Grant #1	\$ 0	\$ 9,487	
Other Federal through State	0	4,700	
Total Federal Government	<u>\$ 0</u>	<u>\$ 60,197</u>	
<b>Other Governments and Citizens Groups</b>			
<b>Other Governments</b>			
Contributions	\$ 2,602,530	\$ 3,237,357	
Contracted Services	0	81,335	
<b>Citizens Groups</b>			
Donations	0	62,835	
<b>Other</b>			
Other	0	2,307	
Total Other Governments and Citizens Groups	<u>\$ 2,602,530</u>	<u>\$ 3,383,834</u>	
Total	<u><u>\$ 3,161,753</u></u>	<u><u>\$ 25,379,402</u></u>	

Exhibit K-6

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hardin County School Department

For the Year Ended June 30, 2022

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<b>Local Taxes</b>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,139,400	\$ 0	\$ 0	\$ 0	\$ 8,139,400
Trustee's Collections - Prior Year	238,865	0	0	0	238,865
Circuit Clerk/Clerk and Master Collections - Prior Years	101,728	0	0	0	101,728
Interest and Penalty	97,867	0	0	0	97,867
Payments in-Lieu-of Taxes - Local Utilities	2,362	0	0	0	2,362
Payments in-Lieu-of Taxes - Other	8,093	0	0	0	8,093
<u>County Local Option Taxes</u>					
Local Option Sales Tax	6,652,733	0	0	0	6,652,733
Mixed Drink Tax	39,812	0	0	0	39,812
<u>Statutory Local Taxes</u>					
Bank Excise Tax	210,960	0	0	0	210,960
<b>Total Local Taxes</b>	<b>\$ 15,491,820</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 15,491,820</b>
<b>Licenses and Permits</b>					
<u>Licenses</u>					
Marriage Licenses	\$ 718	\$ 0	\$ 0	\$ 0	\$ 718
<b>Total Licenses and Permits</b>	<b>\$ 718</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 718</b>
<b>Charges for Current Services</b>					
<u>Education Charges</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 45,010	\$ 0	\$ 45,010
A la Carte Sales	0	0	81,474	0	81,474
Receipts from Individual Schools	12,388	0	0	0	12,388
Other Charges for Services	19,517	0	0	0	19,517
<b>Total Charges for Current Services</b>	<b>\$ 31,905</b>	<b>\$ 0</b>	<b>\$ 126,484</b>	<b>\$ 0</b>	<b>\$ 158,389</b>

(Continued)

Exhibit K-6

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hardin County School Department (Cont.)

<u>Special Revenue Funds</u>						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<b>Other Local Revenues</b>						
<b>Recurring Items</b>						
Investment Income	\$ (10,918)	\$ 0	\$ 8,518	\$ 0	\$ (2,400)	
Lease/Rentals	381	0	0	0	381	
Miscellaneous Refunds	1,181	0	23,930	0	25,111	
<b>Nonrecurring Items</b>						
Sale of Equipment	3,282	0	0	0	3,282	
Damages Recovered from Individuals	5,105	0	0	0	5,105	
Contributions and Gifts	1,008	0	0	0	1,008	
<b>Other Local Revenues</b>						
Other Local Revenues	25,901	0	0	1,399,987	1,425,888	
<b>Total Other Local Revenues</b>	<b>\$ 25,940</b>	<b>\$ 0</b>	<b>\$ 32,448</b>	<b>\$ 1,399,987</b>	<b>\$ 1,458,375</b>	
<b>State of Tennessee</b>						
<b>General Government Grants</b>						
On-behalf Contributions for OPEB	\$ 123,077	\$ 0	\$ 0	\$ 0	\$ 123,077	
<b>State Education Funds</b>						
Basic Education Program	16,996,994	0	0	0	16,996,994	
Early Childhood Education	541,064	0	0	0	541,064	
School Food Service	23,778	0	0	0	23,778	
Driver Education	16,335	0	0	0	16,335	
Other State Education Funds	396,214	0	0	0	396,214	
Coordinated School Health	100,000	0	0	0	100,000	
Statewide Student Management System (SSMS)	5,250	0	0	0	5,250	
Career Ladder Program	67,040	0	0	0	67,040	

(Continued)

Exhibit K-6

Hardin County, Tennessee

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hardin County School Department (Cont.)

<u>Special Revenue Funds</u>						
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	\$ 467,500	\$ 0	\$ 0	\$ 0	\$ 467,500	
Other State Grants	124,703	0	0	0	124,703	
Safe Schools	64,140	0	0	0	64,140	
Total State of Tennessee	<u>\$ 18,926,095</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,926,095</u>	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,899,961	\$ 0	\$ 1,899,961	
USDA - Commodities	0	0	207,250	0	207,250	
Breakfast	0	0	583,982	0	583,982	
USDA - Other	0	0	176,668	0	176,668	
USDA Food Service Equipment Grant	0	0	38,884	0	38,884	
Vocational Education - Basic Grants to States	0	78,545	0	0	78,545	
Title I Grants to Local Education Agencies	0	1,201,148	0	0	1,201,148	
Special Education - Grants to States	56,863	924,495	0	0	981,358	
Safe and Drug-free Schools - State Grants	0	316,419	0	0	316,419	
Rural Education	0	90,823	0	0	90,823	
Eisenhower Professional Development State Grants	0	222,346	0	0	222,346	
COVID-19 Grant B	0	1,976,302	0	0	1,976,302	
American Rescue Plan Act Grant #1	0	1,619,647	0	0	1,619,647	
American Rescue Plan Act Grant #2	0	23,950	0	0	23,950	
American Rescue Plan Act Grant #3	0	10,535	0	0	10,535	
American Rescue Plan Act Grant #4	0	5,905	0	0	5,905	
Other Federal through State	45,538	79,106	0	0	124,644	
Total Federal Government	<u>\$ 102,401</u>	<u>\$ 6,549,221</u>	<u>\$ 2,906,745</u>	<u>\$ 0</u>	<u>\$ 9,558,367</u>	
Total	<u>\$ 34,578,879</u>	<u>\$ 6,549,221</u>	<u>\$ 3,065,677</u>	<u>\$ 1,399,987</u>	<u>\$ 45,593,764</u>	

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

General FundGeneral GovernmentCounty Commission

Clerical Personnel	\$ 9,179
Board and Committee Members Fees	31,850
Audit Services	11,001
Dues and Memberships	1,700
Lease Payments	5,000
Travel	4,691
Other Charges	5,927
Total County Commission	\$ 69,348

Board of Equalization

Board and Committee Members Fees	\$ 1,560
Total Board of Equalization	1,560

Beer Board

Board and Committee Members Fees	\$ 3,050
Office Supplies	311
Total Beer Board	3,361

Other Boards and Committees

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

County Mayor/Executive

County Official/Administrative Officer	\$ 95,034
Secretary(ies)	32,567
Clerical Personnel	12,500
Educational Incentive - Other County Employees	1,500
Other Fringe Benefits	6,000
Communication	4,596
Postal Charges	5,588
Travel	1,843
Other Contracted Services	419
Office Supplies	8,520
Office Equipment	1,793
Total County Mayor/Executive	170,360

County Attorney

Legal Services	\$ 18,408
Total County Attorney	18,408

Election Commission

County Official/Administrative Officer	\$ 74,053
Deputy(ies)	23,281
Part-time Personnel	5,498
Board and Committee Members Fees	2,115
Election Workers	13,760
In-service Training	645

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Communication	\$ 1,746
Data Processing Services	32,855
Legal Notices, Recording, and Court Costs	5,186
Postal Charges	2,608
Printing, Stationery, and Forms	5,192
Travel	507
Other Contracted Services	719
Office Supplies	4,458
Liability Insurance	2,959
Other Charges	8,066
<b>Total Election Commission</b>	<b>\$ 183,648</b>

Register of Deeds

County Official/Administrative Officer	\$ 82,281
Deputy(ies)	51,013
Communication	353
Contracts with Private Agencies	908
Data Processing Services	14,967
Postal Charges	50
Travel	1,615
Other Contracted Services	3,053
Office Supplies	8,710
<b>Total Register of Deeds</b>	<b>162,950</b>

County Buildings

Custodial Personnel	\$ 97,907
Communication	1,016
Maintenance and Repair Services - Buildings	39,941
Maintenance and Repair Services - Equipment	2,077
Maintenance and Repair Services - Vehicles	743
Pest Control	2,380
Other Contracted Services	13,662
Custodial Supplies	8,362
Food Supplies	4,253
Gasoline	2,818
Small Tools	443
Utilities	90,720
Other Supplies and Materials	4,576
Building and Contents Insurance	2,104
Liability Insurance	414,826
Premiums on Corporate Surety Bonds	4,413
Other Charges	24,939
Building Improvements	73,717
Maintenance Equipment	1,663
<b>Total County Buildings</b>	<b>790,560</b>

(Continued)

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Accountants/Bookkeepers	\$	65,000
Clerical Personnel		57,997
Part-time Personnel		8,557
Educational Incentive - Other County Employees		4,750
In-service Training		300
Communication		1,266
Data Processing Services		22,097
Dues and Memberships		25
Printing, Stationery, and Forms		1,743
Travel		161
Other Contracted Services		140
Office Supplies		3,007
Office Equipment		1,125
Total Accounting and Budgeting		\$ 166,168

Property Assessor's Office

County Official/Administrative Officer	\$	82,281
Clerical Personnel		82,419
Communication		588
Contracts with Government Agencies		1,901
Data Processing Services		7,342
Postal Charges		1,068
Travel		3,461
Other Contracted Services		1,552
Office Supplies		3,469
Total Property Assessor's Office		184,081

Reappraisal Program

Assessment Personnel	\$	19,929
Contracts with Private Agencies		23,020
Data Processing Services		5,270
Postal Charges		482
Travel		7,958
Office Supplies		1,850
Total Reappraisal Program		58,509

County Trustee's Office

County Official/Administrative Officer	\$	82,281
Deputy(ies)		21,447
Clerical Personnel		24,231
Part-time Personnel		15,269
Communication		353
Data Processing Services		29,395
Dues and Memberships		1,388
Postal Charges		7,278
Travel		977
Other Contracted Services		419
Office Supplies		1,459
Total County Trustee's Office		184,497

(Continued)

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

General Fund (Cont.)Finance (Cont.)County Clerk's Office

County Official/Administrative Officer	\$ 82,281
Deputy(ies)	49,806
Clerical Personnel	101,383
Part-time Personnel	13,640
Educational Incentive - Other County Employees	3,000
In-service Training	300
Communication	2,170
Data Processing Services	20,207
Postal Charges	9,000
Travel	839
Other Contracted Services	1,392
Office Supplies	7,677
Total County Clerk's Office	\$ 291,695

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$ 82,281
Deputy(ies)	200,075
Jury and Witness Expense	5,830
Communication	940
Data Processing Services	24,785
Postal Charges	1,034
Travel	1,046
Other Contracted Services	3,573
Office Supplies	11,738
Other Charges	63,905
Office Equipment	500
Total Circuit Court	395,707

General Sessions Court

Judge(s)	\$ 125,987
Secretary(ies)	31,991
Communication	235
Travel	2,121
Other Contracted Services	4,355
Office Supplies	1,485
Total General Sessions Court	166,174

Drug Court

Remittance of Revenue Collected	\$ 6,717
Total Drug Court	6,717

Chancery Court

County Official/Administrative Officer	\$ 82,281
Deputy(ies)	25,000
Part-time Personnel	25,961
Communication	652

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Data Processing Services	\$ 12,285
Maintenance Agreements	420
Postal Charges	400
Travel	1,600
Office Supplies	6,593
<b>Total Chancery Court</b>	<b>\$ 155,192</b>

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 90,509
Assistant(s)	33,207
Deputy(ies)	1,159,797
Salary Supplements	24,800
Secretary(ies)	32,245
Part-time Personnel	58,029
Other Salaries and Wages	51,185
In-service Training	3,405
Advertising	1,944
Communication	10,141
Data Processing Services	5,920
Dues and Memberships	2,000
Maintenance and Repair Services - Vehicles	71,986
Postal Charges	2,154
Travel	4,153
Other Contracted Services	99,609
Gasoline	135,534
Instructional Supplies and Materials	240
Law Enforcement Supplies	8,710
Office Supplies	9,507
Uniforms	10,087
Utilities	2,361
Other Charges	3,736
Law Enforcement Equipment	2,824
Motor Vehicles	242,570
Other Equipment	67,087
<b>Total Sheriff's Department</b>	<b>2,133,740</b>

Traffic Control

Deputy(ies)	\$ 14,260
Other Fringe Benefits	3,257
Travel	685
<b>Total Traffic Control</b>	<b>18,202</b>

Administration of the Sexual Offender Registry

Office Supplies	\$ 300
Uniforms	399
<b>Total Administration of the Sexual Offender Registry</b>	<b>699</b>

(Continued)

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

General Fund (Cont.)Public Safety (Cont.)Jail

Teachers	\$ 8,668
Medical Personnel	56,350
Guards	797,981
Attendants	1,000
Part-time Personnel	67,400
Other Salaries and Wages	28,723
In-service Training	1,639
Communication	10,314
Maintenance and Repair Services - Buildings	106,176
Maintenance and Repair Services - Equipment	11,075
Medical and Dental Services	73,456
Postal Charges	508
Other Contracted Services	26,738
Custodial Supplies	16,452
Food Preparation Supplies	7,089
Food Supplies	205,082
Office Supplies	7,548
Prisoners Clothing	4,373
Uniforms	9,171
Utilities	159,848
Other Supplies and Materials	27,341
<b>Total Jail</b>	<b>\$ 1,626,932</b>

Juvenile Services

Probation Officer(s)	\$ 29,678
Youth Service Officer(s)	52,938
Educational Assistants	35,091
In-service Training	225
Communication	2,363
Data Processing Services	4,425
Transportation - Other than Students	221
Travel	127
Office Supplies	1,531
Office Equipment	481
<b>Total Juvenile Services</b>	<b>127,080</b>

Fire Prevention and Control

Assistant(s)	\$ 4,710
Supervisor/Director	51,406
Salary Supplements	9,000
Mechanic(s)	148,882
Part-time Personnel	34,252
In-service Training	18,998
Advertising	1,000
Communication	8,446
Dues and Memberships	1,249
Maintenance and Repair Services - Buildings	39,751

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Maintenance and Repair Services - Equipment	\$ 12,975
Maintenance and Repair Services - Vehicles	104,621
Travel	2,370
Remittance of Revenue Collected	73,005
Other Contracted Services	3,034
Drugs and Medical Supplies	996
Gasoline	55,145
Instructional Supplies and Materials	3,100
Office Supplies	1,700
Uniforms	9,000
Utilities	56,753
Other Supplies and Materials	5,295
Building Construction	39,997
Motor Vehicles	45,120
Site Development	3,600
Other Equipment	391,617
Other Capital Outlay	3,207
<b>Total Fire Prevention and Control</b>	<b>\$ 1,129,229</b>

Civil Defense

Assistant(s)	\$ 34,308
Supervisor/Director	10,092
Clerical Personnel	48,129
Educational Incentive - Other County Employees	750
Communication	118
Maintenance and Repair Services - Equipment	383
Maintenance and Repair Services - Vehicles	974
Travel	997
Equipment and Machinery Parts	1,000
Gasoline	2,032
Office Supplies	2,895
Other Supplies and Materials	3,563
Office Equipment	484
Other Equipment	27,687
<b>Total Civil Defense</b>	<b>133,412</b>

Other Public Safety

Communication	\$ 539
Contracts with Government Agencies	289,556
Office Supplies	329
<b>Total Other Public Safety</b>	<b>290,424</b>

Public Health and Welfare

Local Health Center

Medical Personnel	\$ 103,087
Communication	3,654
Contracts with Government Agencies	33,240

(Continued)

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Janitorial Services	\$ 5,700
Maintenance and Repair Services - Buildings	3,235
Postal Charges	350
Travel	1,008
Custodial Supplies	496
Drugs and Medical Supplies	1,208
Office Supplies	1,495
Utilities	11,070
Total Local Health Center	\$ 164,543

Rabies and Animal Control

Assistant(s)	\$ 46,911
Supervisor/Director	36,050
Part-time Personnel	101,800
Communication	4,224
Maintenance and Repair Services - Buildings	3,426
Maintenance and Repair Services - Equipment	1,426
Maintenance and Repair Services - Vehicles	4,449
Travel	965
Other Contracted Services	53,217
Animal Food and Supplies	26,635
Custodial Supplies	7,996
Drugs and Medical Supplies	19,095
Gasoline	9,308
Office Supplies	3,500
Uniforms	1,191
Utilities	18,173
Other Supplies and Materials	4,993
Other Charges	1,329
Building Improvements	2,585
Motor Vehicles	36,176
Office Equipment	905
Other Equipment	2,453
Total Rabies and Animal Control	386,807

Ambulance/Emergency Medical Services

Other Contracted Services	\$ 405
Utilities	2,208
Total Ambulance/Emergency Medical Services	2,613

Alcohol and Drug Programs

Guidance Personnel	\$ 11,551
Other Supplies and Materials	139
Total Alcohol and Drug Programs	11,690

Crippled Children Services

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

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

Contributions	\$ 4,100	\$ 4,100
Total General Welfare Assistance		

Other Local Welfare Services

Supervisor/Director	\$ 9,177	
Social Security	570	
Unemployment Compensation	118	
Employer Medicare	134	
Total Other Local Welfare Services		9,999

Sanitation Education/Information

Foremen	\$ 40,335	
Laborers	39,797	
Maintenance and Repair Services - Equipment	751	
Gasoline	3,000	
Instructional Supplies and Materials	11,874	
Other Supplies and Materials	14,997	
Total Sanitation Education/Information		110,754

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$ 9,084	
Supervisor/Director	20,369	
Social Workers	2,388	
Custodial Personnel	5,812	
Part-time Personnel	14,762	
Communication	3,878	
Maintenance and Repair Services - Buildings	6,155	
Maintenance and Repair Services - Vehicles	383	
Travel	732	
Other Contracted Services	2,358	
Gasoline	597	
Office Supplies	957	
Utilities	8,300	
Other Supplies and Materials	1,053	
Other Charges	1,118	
Total Senior Citizens Assistance		77,946

Libraries

Assistant(s)	\$ 30,067	
Supervisor/Director	37,454	
Librarians	79,770	
Custodial Personnel	4,295	
Part-time Personnel	22,126	
Communication	3,090	
Maintenance and Repair Services - Buildings	5,566	
Travel	69	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Other Contracted Services	\$ 2,130
Custodial Supplies	1,925
Office Supplies	21,089
Utilities	30,007
Other Charges	8,553
Total Libraries	\$ 246,141

Other Social, Cultural, and Recreational

Contracts with Government Agencies	\$ 42,720
Contributions	12,500
Total Other Social, Cultural, and Recreational	55,220

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$ 13,944
Assistant(s)	9,111
Deputy(ies)	9,844
Secretary(ies)	5,106
Part-time Personnel	2,750
Longevity Pay	250
Social Security	2,255
Pensions	5,396
Medical Insurance	5,553
Unemployment Compensation	18
Employer Medicare	534
Other Fringe Benefits	54
Communication	900
Contracts with Private Agencies	1,350
Dues and Memberships	600
Other Contracted Services	299
Office Supplies	5,000
Total Agricultural Extension Service	62,964

Forest Service

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

Soil Conservation

Contributions	\$ 28,492
Total Soil Conservation	28,492

Flood Control

Assessment Personnel	\$ 1,500
Contributions	33,000
Office Supplies	3,118
Total Flood Control	37,618

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Other Agriculture and Natural Resources

Part-time Personnel	\$ 3,320
Food Preparation Supplies	300
Utilities	1,136
Total Other Agriculture and Natural Resources	\$ 4,756

Other Operations

Tourism

Contributions	\$ 403,950
Total Tourism	403,950

Tourism - Resort District

Contributions	\$ 215,230
Remittance of Revenue Collected	949,411
Total Tourism - Resort District	1,164,641

Industrial Development

Contracts with Government Agencies	\$ 65,000
Dues and Memberships	12,970
Other Charges	1,625
Total Industrial Development	79,595

Other Economic and Community Development

Contributions	\$ 750
Other Charges	19,227
Total Other Economic and Community Development	19,977

Airport

Contributions	\$ 36,750
Lease Payments	2,100
Airport Improvement	5,000
Total Airport	43,850

Veterans' Services

Supervisor/Director	\$ 33,000
Secretary(ies)	23,165
Communication	1,417
Data Processing Services	449
Travel	1,149
Other Contracted Services	140
Office Supplies	612
Total Veterans' Services	59,932

Other Charges

Trustee's Commission	\$ 160,971
Workers' Compensation Insurance	175,557
Other Self-insured Claims	10,850
Total Other Charges	347,378

(Continued)

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

General Fund (Cont.)Other Operations (Cont.)Contributions to Other Agencies

Contributions	\$ 7,000	\$ 7,000
Total Contributions to Other Agencies		

Employee Benefits

Social Security	\$ 322,745	
Pensions	302,361	
Life Insurance	14,889	
Medical Insurance	970,595	
Dental Insurance	31,555	
Unemployment Compensation	3,742	
Employer Medicare	<u>75,826</u>	
Total Employee Benefits		1,721,713

COVID-19 Grant #1

Other Charges	\$ 1,382	
Total COVID-19 Grant #1		1,382

COVID-19 Grant #2

Other Charges	\$ 3,659	
Total COVID-19 Grant #2		3,659

American Rescue Plan Act Grant #1

Other Charges	\$ 20,700	
Total American Rescue Plan Act Grant #1		20,700

Miscellaneous

Medical and Dental Services	\$ 197	
Other Charges	7,797	
Total Miscellaneous		7,994

Principal on Debt

<u>General Government</u>		
Principal on Other Loans	\$ 124,242	
Total General Government		124,242

Interest on Debt

<u>General Government</u>		
Interest on Other Loans	\$ 18,956	
Total General Government		18,956

Total General Fund

\$ 13,700,470

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Supervisor/Director	\$ 55,000	
Secretary(ies)	12,500	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Educational Incentive - Other County Employees	\$ 1,500
Board and Committee Members Fees	200
In-service Training	849
Communication	2,997
Maintenance and Repair Services - Equipment	375
Travel	838
Other Contracted Services	299
Office Supplies	3,438
Office Equipment	544
Total Sanitation Management	\$ 78,540

Waste Pickup

Mechanic(s)	\$ 46,333
Truck Drivers	199,786
Maintenance and Repair Services - Equipment	152,791
Other Contracted Services	240
Gasoline	144,366
Small Tools	1,494
Tires and Tubes	29,914
Other Supplies and Materials	2,451
Motor Vehicles	178,453
Total Waste Pickup	755,828

Convenience Centers

Landowers	\$ 249,086
Advertising	225
Communication	13,210
Maintenance and Repair Services - Buildings	10,680
Disposal Fees	27,921
Utilities	20,393
Other Supplies and Materials	8,691
Other Charges	230
Solid Waste Equipment	343,929
Total Convenience Centers	674,365

Landfill Operation and Maintenance

Disposal Fees	\$ 419,745
Other Contracted Services	14,016
Site Development	1,195
Total Landfill Operation and Maintenance	434,956

Other Operations

Other Charges

Trustee's Commission	\$ 20,130
Workers' Compensation Insurance	42,019
Total Other Charges	62,149

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Social Security	\$ 34,429
Pensions	19,172
Life Insurance	823
Medical Insurance	54,108
Dental Insurance	1,784
Unemployment Compensation	740
Employer Medicare	8,066
<b>Total Employee Benefits</b>	<b>\$ 119,122</b>

Total Solid Waste/Sanitation Fund

\$ 2,124,960

Drug Control Fund

Public Safety

Drug Enforcement

Investigator(s)	\$ 42,862
Salary Supplements	5,050
Office Supplies	431
Law Enforcement Equipment	808
<b>Total Drug Enforcement</b>	<b>\$ 49,151</b>

Other Operations

Other Charges

Workers' Compensation Insurance	\$ 1,964
<b>Total Other Charges</b>	<b>1,964</b>

Employee Benefits

Social Security	\$ 2,932
Pensions	2,867
Life Insurance	95
Medical Insurance	7,796
Dental Insurance	264
Unemployment Compensation	21
Employer Medicare	686
<b>Total Employee Benefits</b>	<b>\$ 14,661</b>

Total Drug Control Fund

65,776

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 63,451
Assistant(s)	61,200
Secretary to Board	1,696
Accountants/Bookkeepers	83,677
Board and Committee Members Fees	4,525
Communication	15,604
Data Processing Services	15,717

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Dues and Memberships	\$ 3,716
Legal Notices, Recording, and Court Costs	17
Postal Charges	653
Printing, Stationery, and Forms	1,297
Electricity	9,476
Natural Gas	3,280
Office Supplies	2,893
Uniforms	9,100
Water and Sewer	1,508
Other Charges	5,754
<b>Total Administration</b>	<b>\$ 283,564</b>

Highway and Bridge Maintenance

Laborers	\$ 645,332
Engineering Services	34,487
Other Contracted Services	17,995
Asphalt - Cold Mix	88,431
Asphalt - Hot Mix	1,228,640
Crushed Stone	198,483
Office Supplies	1,183
Pipe	64,530
Road Signs	9,616
Wood Products	555
Gravel and Chert	7,805
Other Supplies and Materials	1,209
Other Charges	267
<b>Total Highway and Bridge Maintenance</b>	<b>2,298,533</b>

Operation and Maintenance of Equipment

Mechanic(s)	\$ 40,608
Laborers	23,560
Maintenance Personnel	49,344
Maintenance and Repair Services - Equipment	24,933
Maintenance and Repair Services - Vehicles	11,452
Diesel Fuel	138,546
Equipment and Machinery Parts	134,151
Garage Supplies	13,480
Gasoline	29,331
Lubricants	1,200
Propane Gas	376
Small Tools	1,529
Tires and Tubes	44,000
Other Supplies and Materials	4,517
<b>Total Operation and Maintenance of Equipment</b>	<b>517,027</b>

Other Charges

Liability Insurance	\$ 49,714
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(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Trustee's Commission	\$ 45,327
Workers' Compensation Insurance	<u>92,343</u>
Total Other Charges	\$ 187,384

Employee Benefits

Social Security	\$ 74,716
Pensions	63,859
Life Insurance	2,484
Medical Insurance	198,819
Dental Insurance	6,324
Unemployment Compensation	<u>5,281</u>
Total Employee Benefits	351,483

Capital Outlay

Maintenance and Repair Services - Buildings	\$ 1,786
Bridge Construction	407,532
Building Improvements	3,329
Data Processing Equipment	9,923
Highway Equipment	75,191
Motor Vehicles	29,995
Office Equipment	215
State Aid Projects	551,302
Other Construction	<u>39,383</u>
Total Capital Outlay	<u>1,118,656</u>

Total Highway/Public Works Fund

\$ 4,756,647

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 360,000
Principal on Notes	23,917
Principal on Other Loans	<u>390,202</u>
Total General Government	\$ 774,119

Highways and Streets

Principal on Bonds	\$ 180,000
Total Highways and Streets	180,000

Education

Principal on Other Loans	\$ 245,025
Total Education	245,025

Interest on Debt

General Government

Interest on Bonds	\$ 156,000
Interest on Notes	5,077
Interest on Other Loans	<u>12,716</u>
Total General Government	173,793

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Highways and Streets

Interest on Bonds	\$ 22,800	
Total Highways and Streets	<u>\$ 22,800</u>	

Education

Interest on Other Loans	\$ 31,545	
Total Education	<u>31,545</u>	

Other Debt Service

General Government

Trustee's Commission	\$ 5,376	
Other Debt Service	<u>28,821</u>	
Total General Government	<u>34,197</u>	

Total General Debt Service Fund	\$ 1,461,479	
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Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 1,465,000	
Total Education	<u>\$ 1,465,000</u>	

Interest on Debt

Education

Interest on Bonds	\$ 945,025	
Total Education	<u>945,025</u>	

Other Debt Service

Education

Trustee's Commission	\$ 5,534	
Other Debt Service	<u>500</u>	
Total Education	<u>6,034</u>	

Total Rural Debt Service Fund	<u>2,416,059</u>	
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Total Governmental Funds - Primary Government	<u>\$ 24,525,391</u>	
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Hardin County, Tennessee  
Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Hardin County School Department  
For the Year Ended June 30, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 8,690,982
Career Ladder Program	37,214
Career Ladder Extended Contracts	42,082
Educational Assistants	266,287
Bonus Payments	226,231
Other Salaries and Wages	53,664
Certified Substitute Teachers	166,511
Social Security	553,577
Pensions	864,163
Medical Insurance	1,835,981
Dental Insurance	63,953
Employer Medicare	129,708
Retirement - Hybrid Stabilization	55
Maintenance and Repair Services - Equipment	2,243
Instructional Supplies and Materials	88,862
Textbooks - Bound	33,855
Software	9,571
Other Supplies and Materials	2,272
Fee Waivers	20,000
Other Charges	3,224
Regular Instruction Equipment	25,799
Total Regular Instruction Program	\$ 13,116,234

Alternative Instruction Program

Teachers	\$ 164,579
Career Ladder Program	2,000
Certified Substitute Teachers	1,322
Social Security	6,524
Pensions	17,158
Medical Insurance	27,767
Dental Insurance	1,002
Employer Medicare	1,534
Instructional Supplies and Materials	509
Total Alternative Instruction Program	222,395

Special Education Program

Teachers	\$ 926,462
Career Ladder Program	1,410
Homebound Teachers	13,380
Educational Assistants	71,842
Speech Pathologist	69,025
Certified Substitute Teachers	10,335
Social Security	63,890
Pensions	102,238
Medical Insurance	230,332
Dental Insurance	8,043

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Employer Medicare	\$	14,944
Maintenance and Repair Services - Equipment		348
Instructional Supplies and Materials		8,690
Other Charges		30,049
Total Special Education Program	\$	1,550,988

Career and Technical Education Program

Teachers	\$	757,903
Certified Substitute Teachers		11,000
Social Security		44,926
Pensions		70,606
Medical Insurance		152,468
Dental Insurance		5,483
Employer Medicare		10,535
Contracts with Other School Systems		62,001
Contracts with Private Agencies		10,000
Instructional Supplies and Materials		42,781
Vocational Instruction Equipment		109,046
Total Career and Technical Education Program		1,276,749

Support ServicesAttendance

Supervisor/Director	\$	85,086
Clerical Personnel		78,210
Social Security		9,856
Pensions		14,157
Medical Insurance		46,880
Dental Insurance		1,976
Employer Medicare		2,305
Travel		1,565
Other Supplies and Materials		2,094
In Service/Staff Development		775
Total Attendance		242,904

Health Services

Supervisor/Director	\$	53,586
Medical Personnel		247,988
Other Salaries and Wages		14,152
Social Security		18,204
Pensions		23,365
Medical Insurance		65,310
Dental Insurance		2,978
Employer Medicare		4,292
Travel		1,340
Drugs and Medical Supplies		4,506
Other Supplies and Materials		5,242
Total Health Services		440,963

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Other Student Support

Career Ladder Program	\$ 3,000
Guidance Personnel	596,516
Attendants	35,479
Social Security	37,115
Pensions	57,537
Medical Insurance	116,344
Dental Insurance	3,952
Employer Medicare	8,700
Communication	4,856
Contracts with Government Agencies	58,653
Evaluation and Testing	23,860
Travel	5,220
Other Contracted Services	52,549
Other Supplies and Materials	12,006
Total Other Student Support	\$ 1,015,787

Regular Instruction Program

Supervisor/Director	\$ 82,306
Career Ladder Program	7,000
Librarians	329,321
Clerical Personnel	31,305
Educational Assistants	30,980
Other Salaries and Wages	178,188
Social Security	38,583
Pensions	61,646
Medical Insurance	115,475
Dental Insurance	3,952
Employer Medicare	9,023
Lease Payments	19,370
Travel	9,607
Library Books/Media	30,365
Software	15,150
Other Supplies and Materials	14,042
In Service/Staff Development	9,244
Total Regular Instruction Program	985,557

Alternative Instruction Program

Supervisor/Director	\$ 73,341
Social Security	4,323
Pensions	7,554
Medical Insurance	8,790
Dental Insurance	334
Employer Medicare	1,011
Lease Payments	730
Travel	94
Total Alternative Instruction Program	96,177

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Special Education Program

Supervisor/Director	\$	78,053
Career Ladder Program		1,000
Assessment Personnel		49,579
Other Salaries and Wages		51,764
Social Security		10,135
Pensions		16,945
Medical Insurance		33,108
Dental Insurance		1,002
Employer Medicare		2,370
Contracts with Private Agencies		3,898
Travel		1,259
Other Contracted Services		78,410
Other Supplies and Materials		536
In Service/Staff Development		8,385
Total Special Education Program	\$	336,444

Career and Technical Education Program

Supervisor/Director	\$	69,600
Secretary(ies)		17,240
Social Security		5,214
Pensions		8,376
Medical Insurance		18,002
Dental Insurance		668
Employer Medicare		1,219
Travel		2,598
Other Supplies and Materials		362
In Service/Staff Development		310
Other Charges		18
Total Career and Technical Education Program		123,607

Technology

Supervisor/Director	\$	69,436
Data Processing Personnel		177,868
Social Security		14,568
Pensions		13,708
Medical Insurance		51,782
Dental Insurance		2,143
Employer Medicare		3,407
Maintenance and Repair Services - Equipment		380
Internet Connectivity		57,333
Travel		903
Other Contracted Services		25,928
Software		17,955
Other Supplies and Materials		4,437
In Service/Staff Development		775
Other Charges		42
Other Equipment		1,899
Total Technology		442,564

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Board of Education

Board and Committee Members Fees	\$ 10,386
Dental Insurance	3,006
Unemployment Compensation	5,056
On-behalf Payments to OPEB	123,077
Other Fringe Benefits	104,386
Audit Services	17,000
Dues and Memberships	9,422
Legal Services	9,324
Travel	9,811
Other Contracted Services	3,500
Other Supplies and Materials	1,106
Liability Insurance	68,794
Trustee's Commission	288,150
Workers' Compensation Insurance	120,838
In Service/Staff Development	4,450
Criminal Investigation of Applicants - TBI	1,406
Other Charges	300
Total Board of Education	\$ 780,012

Director of Schools

County Official/Administrative Officer	\$ 102,463
Career Ladder Program	1,000
Secretary(ies)	29,690
Clerical Personnel	31,460
Social Security	10,102
Pensions	14,937
Medical Insurance	24,282
Dental Insurance	1,002
Employer Medicare	2,362
Communication	54,961
Dues and Memberships	2,470
Lease Payments	2,087
Postal Charges	3,380
Travel	4,950
Office Supplies	1,030
Other Supplies and Materials	2,299
Other Charges	300
Total Director of Schools	\$ 288,775

Office of the Principal

Principals	\$ 479,260
Career Ladder Program	2,925
Accountants/Bookkeepers	120,528
Assistant Principals	445,146
Secretary(ies)	81,139
Clerical Personnel	22,616

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Office of the Principal (Cont.)

Social Security	\$ 68,059
Pensions	111,043
Medical Insurance	231,557
Dental Insurance	8,655
Employer Medicare	15,918
Dues and Memberships	2,500
Lease Payments	11,646
Travel	2,851
Other Contracted Services	4,900
Other Supplies and Materials	5,407
Administration Equipment	541
Total Office of the Principal	\$ 1,614,691

Fiscal Services

Supervisor/Director	\$ 88,400
Accountants/Bookkeepers	54,675
Clerical Personnel	34,058
Social Security	10,933
Pensions	12,399
Medical Insurance	23,238
Dental Insurance	1,002
Employer Medicare	2,557
Data Processing Services	19,158
Maintenance and Repair Services - Equipment	3,030
Data Processing Supplies	265
Office Supplies	1,281
Other Charges	24
Administration Equipment	1,960
Total Fiscal Services	252,980

Operation of Plant

Supervisor/Director	\$ 39,755
Social Security	2,228
Pensions	4,095
Medical Insurance	13,319
Dental Insurance	334
Employer Medicare	521
Janitorial Services	898,631
Disposal Fees	20,298
Other Contracted Services	86,353
Electricity	880,000
Natural Gas	120,875
Water and Sewer	74,198
Other Supplies and Materials	195,690
Boiler Insurance	4,018
Building and Contents Insurance	160,240

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)General Purpose School Fund (Cont.)Support Services (Cont.)Operation of Plant (Cont.)

Other Charges	\$ 1,537
Plant Operation Equipment	936
Total Operation of Plant	\$ 2,503,028

Maintenance of Plant

Supervisor/Director	\$ 71,306
Maintenance Personnel	310,726
Social Security	22,310
Pensions	27,293
Medical Insurance	74,165
Dental Insurance	2,950
Employer Medicare	5,392
Laundry Service	4,450
Maintenance and Repair Services - Buildings	132,046
Maintenance and Repair Services - Equipment	48,978
Equipment and Machinery Parts	81,295
Gasoline	15,394
General Construction Materials	34,751
Other Supplies and Materials	6,292
Other Charges	2,462
Administration Equipment	30,271
Total Maintenance of Plant	870,081

Transportation

Supervisor/Director	\$ 39,755
Clerical Personnel	10,913
Social Security	2,228
Pensions	4,095
Employer Medicare	679
Contracts with Other School Systems	20,390
Contracts with Private Agencies	1,663,792
Contracts with Parents	2,476
Maintenance and Repair Services - Vehicles	2,275
Medical and Dental Services	266
Diesel Fuel	8,018
Lubricants	45
Tires and Tubes	3,974
Vehicle Parts	936
Vehicle and Equipment Insurance	40,059
Other Charges	1,924
Total Transportation	1,801,825

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$ 77,545
Career Ladder Program	3,000

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Other Salaries and Wages	\$ 6,981
Social Security	5,097
Pensions	8,572
Medical Insurance	108,791
Employer Medicare	1,192
Travel	1,152
Other Supplies and Materials	31
Total Food Service	\$ 212,361

Early Childhood Education

Supervisor/Director	\$ 1,500
Teachers	287,776
Career Ladder Program	1,000
Educational Assistants	112,602
Certified Substitute Teachers	38
Social Security	23,627
Pensions	33,698
Medical Insurance	101,112
Dental Insurance	4,119
Employer Medicare	5,526
Travel	228
Instructional Supplies and Materials	9,927
Other Supplies and Materials	731
In Service/Staff Development	810
Other Charges	861
Total Early Childhood Education	583,555

Capital OutlayRegular Capital Outlay

Architects	\$ 62,065
Building Improvements	669,037
Total Regular Capital Outlay	731,102

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$ 2,588,044
Total Education	2,588,044

Total General Purpose School Fund

\$ 32,076,823

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$ 455,575
Educational Assistants	119,863
Other Salaries and Wages	70,440

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)School Federal Projects Fund (Cont.)Instruction (Cont.)Regular Instruction Program (Cont.)

Certified Substitute Teachers	\$ 5,636
Social Security	38,627
Pensions	60,417
Medical Insurance	145,431
Dental Insurance	5,872
Employer Medicare	9,084
Other Contracted Services	18,024
Instructional Supplies and Materials	400,523
Software	199,650
Regular Instruction Equipment	216,597
Total Regular Instruction Program	\$ 1,745,739

Special Education Program

Teachers	\$ 12,698
Educational Assistants	276,352
Speech Pathologist	59,071
Social Security	20,384
Pensions	22,354
Medical Insurance	157,707
Dental Insurance	7,625
Employer Medicare	4,772
Instructional Supplies and Materials	5,474
Special Education Equipment	7,924
Total Special Education Program	574,361

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$ 1,887
Instructional Supplies and Materials	8,434
Software	10,623
Other Supplies and Materials	4,900
Vocational Instruction Equipment	37,137
Total Career and Technical Education Program	62,981

Support ServicesHealth Services

Other Supplies and Materials	\$ 6,539
Total Health Services	6,539

Other Student Support

Social Workers	\$ 134,975
Other Salaries and Wages	11,695
Social Security	9,088
Pensions	5,793
Medical Insurance	25,224
Dental Insurance	1,002
Employer Medicare	2,125

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)School Federal Projects Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

Contracts with Government Agencies	\$ 54,568
Travel	14,705
Other Contracted Services	5,019
Other Supplies and Materials	13,320
In Service/Staff Development	6,315
<b>Total Other Student Support</b>	<b>\$ 283,829</b>

Regular Instruction Program

Supervisor/Director	\$ 84,003
Other Salaries and Wages	316,919
In-service Training	1,530
Social Security	22,891
Pensions	40,256
Medical Insurance	71,942
Dental Insurance	2,282
Employer Medicare	5,446
Travel	185
Other Contracted Services	3,150
Other Supplies and Materials	2,423
In Service/Staff Development	50,032
Other Charges	250
Other Equipment	4,644
<b>Total Regular Instruction Program</b>	<b>605,953</b>

Special Education Program

Psychological Personnel	\$ 64,631
Other Salaries and Wages	127,787
Social Security	11,455
Pensions	16,821
Medical Insurance	27,758
Dental Insurance	1,002
Employer Medicare	2,679
Evaluation and Testing	1,943
Travel	1,240
Other Contracted Services	28,657
Other Equipment	2,280
<b>Total Special Education Program</b>	<b>286,253</b>

Career and Technical Education Program

In Service/Staff Development	\$ 300
<b>Total Career and Technical Education Program</b>	<b>300</b>

Technology

Data Processing Personnel	\$ 36,000
Employer Medicare	522
<b>Total Technology</b>	<b>36,522</b>

(Continued)

Exhibit K-8

Hardin County, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Hardin County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Janitorial Services	\$ 26,000
Plant Operation Equipment	<u>356,483</u>
Total Operation of Plant	\$ 382,483

Transportation

Contracts with Private Agencies	\$ 98,367
Transportation Equipment	<u>23,000</u>
Total Transportation	121,367

Operation of Non-Instructional Services

Food Service

Food Service Equipment	\$ 4,050
Total Food Service	4,050

Community Services

Supervisor/Director	\$ 10,500
Teachers	125,656
Educational Assistants	54,395
Other Salaries and Wages	54,058
Social Security	14,753
Pensions	21,787
Employer Medicare	3,450
Food Supplies	19
Instructional Supplies and Materials	11,169
Other Supplies and Materials	4,353
In Service/Staff Development	140
Other Charges	<u>16,139</u>
Total Community Services	316,419

Capital Outlay

Regular Capital Outlay

Building Construction	\$ 67,820
Building Improvements	<u>2,054,605</u>
Total Regular Capital Outlay	<u>2,122,425</u>

Total School Federal Projects Fund

\$ 6,549,221

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Accountants/Bookkeepers	\$ 27,206
Cafeteria Personnel	658,863
Other Salaries and Wages	36,897
Social Security	42,473
Pensions	37,455
Medical Insurance	160,884

(Continued)

Hardin County, TennesseeSchedule of Detailed Expenditures -All Governmental Fund TypesDiscretely Presented Hardin County School Department (Cont.)Central Cafeteria Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Dental Insurance	\$ 11,438
Employer Medicare	10,026
Maintenance and Repair Services - Equipment	16,608
Transportation - Other than Students	17,833
Other Contracted Services	22,025
Food Preparation Supplies	85,576
Food Supplies	845,730
Office Supplies	4,924
USDA - Commodities	207,250
Other Supplies and Materials	32,787
In Service/Staff Development	10,411
Other Charges	570
Food Service Equipment	14,036
Total Food Service	<u>\$ 2,242,992</u>

Total Central Cafeteria Fund

\$ 2,242,992

Internal School FundOperation of Non-Instructional ServicesCommunity Services

Other Charges	\$ 1,301,977
Total Community Services	<u>\$ 1,301,977</u>
Total Internal School Fund	<u>1,301,977</u>

Total Governmental Funds - Hardin County School Department

\$ 42,171,013

Exhibit K-9

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

	Cities - Sales Tax Fund
<u>Additions</u>	
Local Option Sales Tax	\$ 5,013,475
Total Additions	<u>\$ 5,013,475</u>
<u>Deductions</u>	
Remittance of Revenues Collected	\$ 4,964,332
Trustee's Commission	49,143
Total Deductions	<u>\$ 5,013,475</u>
Excess of Additions Over (Under) Deductions	\$ 0
Net Position, July 1, 2021	<u>0</u>
Net Position, June 30, 2022	<u>\$ 0</u>

## **SINGLE AUDIT SECTION**



JASON E. MUMPOWER  
*Comptroller*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardin County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Hardin County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 27, 2023. Our report includes references to other auditors who audited the financial statements of the Park Rest Hardin County Health Center, the discretely presented Hardin Medical Center, and the Internal School Fund of the Hardin County School Department (a discretely presented component unit), as described in our report on Hardin County's financial statements. This report does not include the results of the other auditors' 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 Hardin County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hardin County's internal control. Accordingly, we do not express an opinion on the effectiveness of Hardin County's internal control.

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 a material weakness and a significant deficiency.

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: 2022-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency: 2022-003.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hardin County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2022-002.

### **Hardin County's Responses to Findings**

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

## Purpose of this Report

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "JEM" followed by a surname.

Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

January 27, 2023

JEM/tg



JASON E. MUMPOWER  
*Comptroller*

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

**Independent Auditor's Report**

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

To the County Mayor and Board of County Commissioners:

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

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

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

In our opinion, Hardin County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Hardin 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 Hardin 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 Hardin 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 Hardin 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 Hardin 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 Hardin 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 Hardin 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 Hardin County, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Hardin County's basic financial statements. We issued our report thereon dated January 27, 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 27, 2023

JEM/tg

Hardin County, Tennessee, and the Hardin County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8)  
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: (3)			
School Breakfast Program	10.553	N/A	\$ 583,982
National School Lunch Program	10.555	N/A	1,998,891 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	74,675
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	38,884
COVID 19 - Pandemic - EBT Administrative Costs Grant	10.649	N/A	3,063
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program - Commodities (Noncash Assistance)	10.555	N/A	207,250 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-22-70830-00	29,795
Total U.S. Department of Agriculture			<u>\$ 2,936,540</u>
U.S. Department of Defense:			
Passed through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	(4)	\$ 120,943 (6)
Total U.S. Department of Defense			<u>\$ 120,943</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	(4)	\$ 62,137
Total U.S. Department of Justice			<u>\$ 62,137</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (3)			
State and Community Highway Safety	20.600	(4)	\$ 18,102
Total U.S. Department of Transportation			<u>\$ 18,102</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
COVID 19 - Grants to States	45.310	(4)	\$ 9,487
Total U.S. Institute of Museum and Library Services			<u>\$ 9,487</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,157,349
Special Education Cluster: (3)			
Special Education - Grants to States	84.027	N/A	939,776 (5)
COVID 19 - Special Education - Grants to States (ARP)	84.027	N/A	23,950 (5)
Special Education - Preschool Grants	84.173	N/A	41,582 (5)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	N/A	10,535 (5)
Career and Technical Education - Basic Grants to States	84.048	N/A	78,545
Twenty-first Century Community Learning Centers	84.287	N/A	316,419
Rural Education	84.358	N/A	75,778
Supporting Effective Instruction State Grant	84.367	N/A	98,846
Student Support and Academic Enrichment Program	84.424	N/A	77,370
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	1,976,302 (5)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,619,647 (5)
COVID-19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ARP)	84.425W	N/A	5,905 (5)
Total U.S. Department of Education			<u>\$ 6,422,004</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
<b>U.S. Department of Health and Human Services:</b>			
Passed through State Commission on Aging and Disability:			
Aging Cluster: (3)			
Special Programs for the Aging - Title II, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 32,673 (5)
COVID 19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	2,889 (5)
COVID 19 - Special Programs for the Aging, Title III, Part C, Nutritional Services	93.045	(4)	3,487
COVID 19 - National Family Caregiver Support Program - Title III, Part E	93.052	(4)	3,000
Passed through State Department of Education:			
COVID 19 - Temporary Assistance for Needy Families	93.558	(4)	45,538
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-22-70830-00	482
Family Planning Services	93.217	GG-22-70830-00	14,567
COVID 19 - Provider Relief Funds	93.498	(4)	591,742
Preventive Health and Health Services Block Grant	93.991	GG-22-70830-00	17,772
Maternal and Child Health Services Block Grant to the States	93.994	GG-22-70830-00	22,423
Total U.S. Department of Health and Human Services			<u>\$ 734,573</u>
<b>U.S. Department of Homeland Security:</b>			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(4)	\$ 31,634
Passed-through State Department of Commerce and Insurance:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2019-FF-00450	5,000
Total U.S. Department of Homeland Security			<u>\$ 36,634</u>
<b>Total Expenditures of Federal Awards</b>			
			<u><u>\$ 10,340,420</u></u>
<b>State Grants:</b>			
Coordinated School Health - State Department of Education	N/A	N/A	\$ 100,000
COVID 19 - Stream Mini Camps - State Department of Education	N/A	N/A	9,401
COVID 19 - Bridge Camp - State Department of Education	N/A	N/A	24,151
COVID 19 - Summer Learning Camp - State Department of Education	N/A	N/A	41,181
COVID 19 - Transportation for Summer Camps - State Department of Education	N/A	N/A	52,407
Supporting Postsecondary Access in Rural Counties (SPARC) - State Higher Education Commission	N/A	N/A	124,703
Early Childhood Education - State Department of Education	N/A	N/A	541,064
Safe Schools Act - State Department of Education	N/A	N/A	64,140
Health Department Grant - State Department of Health	N/A	GG-22-70830-00	49,533
Litter Program - State Department of Transportation	N/A	(4)	38,571
Animal Friendly Grant - State Department of Agriculture	N/A	(4)	1,500
Tennessee Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services			16,198
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(4)	9,000
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A	(4)	<u>367,386</u>
Total State Grants			<u><u>\$ 1,439,235</u></u>

(Continued)

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

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) Hardin County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Child Nutrition Cluster total \$2,864,798; Highway Safety Cluster total \$18,102; Special Education Cluster total \$1,015,843; Aging Cluster total \$39,049.
- (4) Information not available.
- (5) Total for FAL No. 10.555 is \$2,206,141; Total for FAL No. 84.027 is \$963,726; Total for FAL No. 84.173 is \$52,117; Total for FAL No. 84.425 is \$3,601,854; Total for FAL No. 93.044 is \$35,562.
- (6) During the year ended June 30, 2022, Hardin County received excess military equipment from the U.S. Department of Defense valued at \$120,943.
- (7) No amounts (\$0) were passed-through to subrecipients.
- (8) The following amounts were consolidated for administration purposes:

Program Title	Federal Assistance Listing Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 152,225
Rural Education	84.358	15,045
Supporting Effective Instruction State Grant	84.367	15,500
Student Support and Academic Enrichment Program	84.424	1,310
Total amounts consolidated for administration purposes		<u>\$ 184,080</u>

Hardin 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 Hardin 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
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**OFFICE OF HIGHWAY COMMISSIONER**

2021	238	2021-001	Allegations involving the Hardin County Highway Department and the former highway commissioner are currently under investigation.	N/A	Completed
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**OFFICE OF TRUSTEE**

2021	238	2021-002	The office maintained a duplicate set of receipts.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2021	239	2021-003	The office did not review its software audit logs.	N/A	Corrected

**OFFICE OF COUNTY CLERK**

2021	239	2021-004	A cash shortage of \$532 existed in the office during the year ended June 30, 2021.	N/A	Corrected
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***Prior-year Federal Awards Findings***

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

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HARDIN COUNTY, TENNESSEE

**SCHEUDLE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2022**

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

**Financial Statements:**

1. Our report on the financial statements of Hardin County is unmodified.
2. Internal Control Over Financial Reporting:

* Material weakness identified?	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: 84.425	COVID-19 - Education Stabilization Fund
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8. Dollar threshold used to distinguish between Type A and Type B Programs. \$750,000
9. Auditee qualified as low-risk auditee? YES

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF HIGHWAY COMMISSIONER**

#### **FINDING 2022-001**

#### **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 \$305,896 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 COMMISSIONER**

We concur with the finding and will ensure the proper accruals are made at year-end for accounts receivable and deferred revenue.

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FINDING 2022-002

**AN INVESTIGATION DISCLOSED THE FORMER HIGHWAY  
COMMISSIONER USED DEPARTMENT FUNDS FOR WORK  
PERFORMED ON PRIVATE PROPERTY, VIOLATED COUNTY  
BID PROCEDURES, AND FALSIFIED INVOICES**  
(Noncompliance Under *Government Auditing Standards*)

An investigation report by the Comptroller's Division of Investigations disclosed that the former highway commissioner used department funds for work performed on private property, violated county bid procedures, and falsified invoices to purchase a truck during the period from January 1, 2020, through September 30, 2021. The investigation also reported that the Hardin County Road Commission Board failed to provide adequate oversight. Details of the findings and recommendations related to the investigation can be found in a report dated July 29, 2022, at [www.comptroller.tn.gov/ia](http://www.comptroller.tn.gov/ia).

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**OFFICE OF TRUSTEE**

FINDING 2022-003

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

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

**RECOMMENDATION**

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

**MANAGEMENT'S RESPONSE – LINDA MCCASLAND, FORMER TRUSTEE**

To serve the landowners of Hardin County effectively, I used prenumbered receipts. These receipts matched the computer numbers. The hard copy allowed us to cross reference delinquent tax numbers of prior-year to current-year. We showed on the receipt when a business had closed with the prior year's taxes. As to excess cost, a receipt would have been printed from the computer, so no extra cost would have been incurred by the county.

**AUDITOR'S COMMENT**

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

### **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.

**Hardin 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 HIGHWAY COMMISSIONER**

2022-001	The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.	235
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**OFFICE OF TRUSTEE**

2022-003	The office maintained a duplicate set of receipts.	236
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**HARDIN COUNTY HIGHWAY DEPARTMENT**

9920 Hwy. 128 South

Savannah, TN 38372

(731) 925-4993

**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:**

Wesley Jerrolds, Highway Commissioner

**Person Responsible for Implementing the Corrective Action:**

Wesley Jerrolds, Highway Commissioner

**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 all accounts receivable and deferred revenues are properly posted at year-end.

Signature:



## SAVANNAH, TENN.

### Corrective Action Plan

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

**Corrective Action Plan Prepared by:**  
Jeanie Hopper, Trustee

**Person Responsible for Implementing the Corrective Action:**  
Jeanie Hopper, Trustee

**Anticipated Completion Date of Corrective Action:**  
September 2022

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
The prior official felt that corrective action was not cost effective or necessary.

**Planned Corrective Action:**  
Discontinue duplicate receipts.

Signature:

A handwritten signature in blue ink, appearing to read "Jeanie Hopper". It is written in a cursive, flowing style with a long, sweeping line extending to the right.

Jeanie Hopper, Trustee

## **BEST PRACTICE**

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

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

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

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