



ANNUAL FINANCIAL REPORT

Hardeman County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HARDEMAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

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

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Summary of Audit Findings

Annual Financial Report
Hardeman County, Tennessee
For the Year Ended June 30, 2023

Scope

We have audited the basic financial statements of Hardeman County as of and for the year ended June 30, 2023.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ Competitive bids were not solicited for all applicable purchases.
 - ◆ Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.
 - ◆ The office had deficiencies in budget operations.
 - ◆ The office had deficiencies in the administration of accrued leave records.
-



OFFICE OF DIRECTOR OF SCHOOLS

- ◆ An itemized budget and some amendments for the General Purpose School and Central Cafeteria funds were not presented to the budget committee or the county commission.
 - ◆ Accounting records for accrued leave and capital assets were not closed and available for audit by August 31, 2023.
-

OFFICE OF TRUSTEE

- ◆ The office had accounting deficiencies.



INTRODUCTORY SECTION

Hardeman County Officials

June 30, 2023

Officials

Todd Pulse, County Mayor
Casey Swift, Highway Superintendent
Christy Smith, Director of Schools
Sandy Hammons, Trustee
Josh Pulse, Assessor of Property
Tonet Griggs, County Clerk
Eunice Gudger, Circuit, General Sessions, and Juvenile Courts Clerk
Kimberly Paras, Clerk and Master
Lily Barnes, Register of Deeds
John Doolen, Sheriff

Board of County Commissioners

Todd Pulse, County Mayor, Chairman	
David Bell	Chandra Lake
Cory Bufford	Johnny Lanier
Russell DeBerry	Bethany Miller
Mark Gilliam	Thomas Polk
Brad Grantham	Jackie Sain
Bobby Hensley	John Vickers
Jospeh Jenkins	Johnny Weems
Jeff Kennamore	Bobby Wright

Board of Highway Supervisors

John Mitchell, Chairman
Danny Davila
Mark McCory

Board of Education

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

Audit Committee

Mark Gilliam, Chairman	Don Cherry
David Bell	Calvin Howell
Donna Boyd	Chandra Lake
Cory Bufford	

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of June 30, 2023, and the respective changes in financial position and, where applicable cash flows thereof, and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Hardeman County School Department (a discretely presented component unit), which represent 2.5 percent, 2.9 percent, and 2.1 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hardeman County School Department's Internal School Fund, is based solely on the report of the other auditors.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hardeman County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hardeman County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedule of school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hardeman County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Hardeman County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Hardeman County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

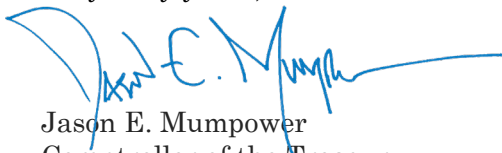
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information,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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, on our consideration of Hardeman County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hardeman County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hardeman County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 1, 2023

JEM/gc

BASIC FINANCIAL STATEMENTS

Exhibit A

Hardeman County, Tennessee
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Hardeman County School Department
<u>ASSETS</u>				
Cash	\$ 85,979	\$ 340	\$ 86,319	\$ 1,137,690
Equity in Pooled Cash and Investments	19,820,388	2,953,451	22,773,839	12,341,626
Inventory	0	0	0	595
Accounts Receivable	1,425,014	27,822	1,452,836	16,656
Allowance for Uncollectibles	(680,332)	(18,084)	(698,416)	0
Due from Other Governments	13,354,216	0	13,354,216	4,232,573
Property Taxes Receivable	5,117,306	0	5,117,306	6,854,373
Allowance for Uncollectible Property Taxes	(65,014)	0	(65,014)	(87,082)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	339,610
Cash Shortage	0	1,890	1,890	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	78,880
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	4,876,277
Capital Assets:				
Assets Not Depreciated:				
Land	1,757,650	219,838	1,977,488	358,116
Construction in Progress	0	0	0	591,554
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	10,557,545	864,965	11,422,510	12,307,744
Infrastructure	9,130,258	0	9,130,258	0
Other Capital Assets	4,297,309	695,682	4,992,991	1,626,489
Total Assets	<u>\$ 64,800,319</u>	<u>\$ 4,745,904</u>	<u>\$ 69,546,223</u>	<u>\$ 44,675,101</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding	\$ 528,639	\$ 0	\$ 528,639	\$ 0
Pension Changes in Experience	454,772	32,449	487,221	1,149,099
Pension Changes in Investment Earnings	43,444	3,100	46,544	140,978
Pension Changes in Assumptions	1,211,898	86,471	1,298,369	4,060,284
Pension Changes in Proportion	0	0	0	133,669
Pension Contributions After Measurement Date	599,968	29,094	629,062	1,691,117
OPEB Changes in Experience	0	0	0	215,064
OPEB Changes in Assumptions	0	0	0	672,259
OPEB Changes in Proportion	0	0	0	68,672
OPEB Contributions After Measurement Date	0	0	0	158,451
Total Deferred Outflows of Resources	<u>\$ 2,838,721</u>	<u>\$ 151,114</u>	<u>\$ 2,989,835</u>	<u>\$ 8,289,593</u>

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Hardeman County School Department
<u>LIABILITIES</u>				
Accounts Payable	\$ 206,881	\$ 10,784	\$ 217,665	\$ 423,836
Accrued Payroll	0	0	0	506,340
Payroll Deductions Payable	97,875	6,674	104,549	15,721
Contracts Payable	12,361,918	0	12,361,918	0
Due to Other Governments	50,000	0	50,000	0
Accrued Interest Payable	48,936	0	48,936	0
Noncurrent Liabilities:				
Due Within One Year - Debt	1,105,000	83,196	1,188,196	0
Due Within One Year - Other	166,996	79,658	246,654	43,977
Due in More Than One Year - Debt	15,821,426	454,748	16,276,174	0
Due in More Than One Year - Other	235,092	1,812,821	2,047,913	4,145,720
Total Liabilities	<u>\$ 30,094,124</u>	<u>\$ 2,447,881</u>	<u>\$ 32,542,005</u>	<u>\$ 5,135,594</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,841,237	\$ 0	\$ 4,841,237	\$ 6,484,593
Pension Changes in Experience	480,375	34,276	514,651	1,233,815
Pension Changes in Proportion	0	0	0	31,934
OPEB Changes in Experience	0	0	0	225,510
OPEB Changes in Assumptions	0	0	0	525,191
OPEB Changes in Proportion	0	0	0	209,046
Total Deferred Inflows of Resources	<u>\$ 5,321,612</u>	<u>\$ 34,276</u>	<u>\$ 5,355,888</u>	<u>\$ 8,710,089</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 10,269,676	\$ 1,242,541	\$ 11,512,217	\$ 14,883,903
Restricted for:				
General Government	46,524	0	46,524	0
Finance	46,360	0	46,360	0
Administration of Justice	203,667	0	203,667	0
Public Safety	5,506,235	0	5,506,235	0
Public Health and Welfare	207,762	0	207,762	0
Highways/Public Works	198,357	0	198,357	0
Debt Service	494,279	0	494,279	0
Education	0	0	0	1,204,913
Instruction	0	0	0	16,385
Operation of Non-instructional Services	0	0	0	1,682,839
Pensions	0	0	0	4,955,157
Hybrid Retirement Stabilization Funds	0	0	0	339,610
Unrestricted	15,250,444	1,172,320	16,422,764	16,036,204
Total Net Position	<u>\$ 32,223,304</u>	<u>\$ 2,414,861</u>	<u>\$ 34,638,165</u>	<u>\$ 39,119,011</u>

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

Exhibit B

Hardeman County, Tennessee
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Hardeman County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Total Governmental Activities	Business- type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 2,868,856	\$ 188,814	\$ 3,279,164	\$ 86,830	\$ 685,952	\$ 0	\$ 685,952	\$ 0
Finance	989,814	759,374	0	0	(230,440)	0	(230,440)	0
Administration of Justice	1,341,767	639,621	80,990	0	(621,156)	0	(621,156)	0
Public Safety	84,681,006	492,075	84,824,817	455,843	1,091,729	0	1,091,729	0
Public Health and Welfare	1,994,617	1,001,530	553,159	0	(439,928)	0	(439,928)	0
Social, Cultural, and Recreational Services	102,897	0	0	0	(102,897)	0	(102,897)	0
Agriculture and Natural Resources	138,821	0	0	0	(138,821)	0	(138,821)	0
Highways/Public Works	5,530,253	0	2,875,795	1,412,466	(1,241,992)	0	(1,241,992)	0
Interest on Long-term Debt	508,164	0	25,092	0	(483,072)	0	(483,072)	0
Total Governmental Activities	\$ 98,156,195	\$ 3,081,414	\$ 91,639,017	\$ 1,955,139	\$ (1,480,625)	\$ 0	\$ (1,480,625)	\$ 0
Business-type Activities:								
Solid Waste Disposal	\$ 1,935,247	\$ 1,347,683	\$ 13,606	\$ 0	\$ 0	\$ (573,958)	\$ (573,958)	\$ 0
Total Primary Government	\$ 100,091,442	\$ 4,429,097	\$ 91,652,623	\$ 1,955,139	\$ (1,480,625)	\$ (573,958)	\$ (2,054,583)	\$ 0
Component Unit:								
Hardeman County School Department	\$ 43,402,153	\$ 240,054	\$ 11,266,932	\$ 1,647,694	\$ 0	\$ 0	\$ 0	\$ (30,247,473)
Total Component Unit	\$ 43,402,153	\$ 240,054	\$ 11,266,932	\$ 1,647,694	\$ 0	\$ 0	\$ 0	\$ (30,247,473)

(Continued)

Exhibit B

Hardeman County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Hardeman County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Total Governmental Activities	Business- type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,348,461	\$ 0	\$ 4,348,461	\$ 6,061,119
Property Taxes Levied for Debt Service					331,121	0	331,121	0
Local Option Sales Taxes					436,033	0	436,033	3,713,193
Wheel Tax					1,629,106	0	1,629,106	0
Litigation Tax					120,085	0	120,085	0
Business Tax					296,808	0	296,808	0
Wholesale Beer Tax					65,881	0	65,881	0
Other Local Taxes					46,551	0	46,551	11,710
Grants and Contributions Not Restricted for Specific Programs					2,264,851	0	2,264,851	23,535,876
Unrestricted Investment Income					1,080,467	95,466	1,175,933	115,124
Miscellaneous					81,873	3,222	85,095	152,680
Total General Revenues					\$ 10,701,237	\$ 98,688	\$ 10,799,925	\$ 33,589,702
Change in Net Position					\$ 9,220,612	\$ (475,270)	\$ 8,745,342	\$ 3,342,229
Net Position, July 1, 2022					23,002,692	2,890,131	25,892,823	35,776,782
Net Position, June 30, 2023					\$ 32,223,304	\$ 2,414,861	\$ 34,638,165	\$ 39,119,011

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

Exhibit C-1

Hardeman County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 85,979	\$ 85,979
Equity in Pooled Cash and Investments	14,346,634	4,094,936	1,307,057	19,748,627
Accounts Receivable	1,416,912	7,994	108	1,425,014
Allowance for Uncollectibles	(680,332)	0	0	(680,332)
Due from Other Governments	12,865,863	488,353	0	13,354,216
Due from Other Funds	1,783	0	71,761	73,544
Property Taxes Receivable	4,741,724	0	375,582	5,117,306
Allowance for Uncollectible Property Taxes	(60,242)	0	(4,772)	(65,014)
Total Assets	<u>\$ 32,632,342</u>	<u>\$ 4,591,283</u>	<u>\$ 1,835,715</u>	<u>\$ 39,059,340</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 205,500	\$ 0	\$ 1,381	\$ 206,881
Payroll Deductions Payable	96,207	1,668	0	97,875
Contracts Payable	12,361,918	0	0	12,361,918
Due to Other Funds	0	0	1,783	1,783
Due to Other Governments	50,000	0	0	50,000
Total Liabilities	<u>\$ 12,713,625</u>	<u>\$ 1,668</u>	<u>\$ 3,164</u>	<u>\$ 12,718,457</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,485,917	\$ 0	\$ 355,320	\$ 4,841,237
Deferred Delinquent Property Taxes	181,435	0	14,575	196,010
Other Deferred/Unavailable Revenue	664,990	236,718	0	901,708
Total Deferred Inflows of Resources	<u>\$ 5,332,342</u>	<u>\$ 236,718</u>	<u>\$ 369,895</u>	<u>\$ 5,938,955</u>

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor	Total
	General	Highway / Public Works	Funds Other Govern- mental Funds	
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$ 25,686	\$ 0	\$ 0	\$ 25,686
Restricted for Finance	46,360	0	0	46,360
Restricted for Administration of Justice	203,667	0	0	203,667
Restricted for Public Safety	5,310,672	0	195,563	5,506,235
Restricted for Public Health and Welfare	207,762	0	0	207,762
Restricted for Other Operations	20,838	0	0	20,838
Committed:				
Committed for Finance	0	0	84,304	84,304
Committed for Public Health and Welfare	118	0	0	118
Committed for Highways/Public Works	0	4,352,897	0	4,352,897
Committed for Debt Service	0	0	1,182,789	1,182,789
Assigned:				
Assigned for General Government	7,879	0	0	7,879
Assigned for Administration of Justice	1,028	0	0	1,028
Assigned for Public Safety	18,416	0	0	18,416
Assigned for Public Health and Welfare	23,481	0	0	23,481
Unassigned	8,720,468	0	0	8,720,468
Total Fund Balances	\$ 14,586,375	\$ 4,352,897	\$ 1,462,656	\$ 20,401,928
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,632,342	\$ 4,591,283	\$ 1,835,715	\$ 39,059,340

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

Exhibit C-2

Hardeman County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

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)		\$ 20,401,928
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,757,650	
Add: buildings and improvements net of accumulated depreciation	10,557,545	
Add: infrastructure net of accumulated depreciation	9,130,258	
Add: other capital assets net of accumulated depreciation	<u>4,297,309</u>	25,742,762
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (16,720,000)	
Add: deferred amount on refunding	528,639	
Less: unamortized premium on debt	(206,426)	
Less: net pension liability	(235,092)	
Less: compensated absences payable	(166,996)	
Less: accrued interest payable	<u>(48,936)</u>	(16,848,811)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,310,082	
Less: deferred inflows of resources related to pensions	<u>(480,375)</u>	1,829,707
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,097,718</u>
Net position of governmental activities (Exhibit A)		<u>\$ 32,223,304</u>

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

Exhibit C-3

Hardeman County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds		Nonmajor Funds	Total
	General	Highway / Public Works	Other Govern- mental Funds	Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 5,358,809	\$ 814,553	\$ 1,139,947	\$ 7,313,309
Licenses and Permits	40,748	0	0	40,748
Fines, Forfeitures, and Penalties	239,938	0	100,750	340,688
Charges for Current Services	1,161,293	0	362,204	1,523,497
Other Local Revenues	1,235,227	194,218	0	1,429,445
Fees Received From County Officials	830,217	0	0	830,217
State of Tennessee	87,186,583	4,141,221	0	91,327,804
Federal Government	3,599,045	0	0	3,599,045
Other Governments and Citizens Groups	230,859	0	683,840	914,699
Total Revenues	<u>\$ 99,882,719</u>	<u>\$ 5,149,992</u>	<u>\$ 2,286,741</u>	<u>\$ 107,319,452</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 1,749,187	\$ 0	\$ 0	\$ 1,749,187
Finance	510,003	0	362,164	872,167
Administration of Justice	1,016,044	0	0	1,016,044
Public Safety	84,190,332	0	110,999	84,301,331
Public Health and Welfare	1,961,126	0	0	1,961,126
Social, Cultural, and Recreational Services	102,897	0	0	102,897
Agriculture and Natural Resources	140,643	0	0	140,643
Other Operations	1,686,416	0	0	1,686,416
Highways	0	4,258,713	0	4,258,713
Debt Service:				
Principal on Debt	0	0	1,080,000	1,080,000
Interest on Debt	0	0	509,080	509,080
Other Debt Service	0	0	16,041	16,041
Total Expenditures	<u>\$ 91,356,648</u>	<u>\$ 4,258,713</u>	<u>\$ 2,078,284</u>	<u>\$ 97,693,645</u>

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds	Total
	General	Highway / Public Works	Other Govern- mental Funds	Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,526,071	\$ 891,279	\$ 208,457	\$ 9,625,807
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 203,469	\$ 37,637	\$ 0	\$ 241,106
Transfers In	0	19,259	0	19,259
Transfers Out	(19,259)	0	0	(19,259)
Total Other Financing Sources (Uses)	\$ 184,210	\$ 56,896	\$ 0	\$ 241,106
Net Change in Fund Balances	\$ 8,710,281	\$ 948,175	\$ 208,457	\$ 9,866,913
Fund Balance, July 1, 2022	5,876,094	3,404,722	1,254,199	10,535,015
Fund Balance, June 30, 2023	\$ 14,586,375	\$ 4,352,897	\$ 1,462,656	\$ 20,401,928

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

Exhibit C-4

Hardeman County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

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)		\$ 9,866,913
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,337,941	
Less: current-year depreciation expense	<u>(3,157,787)</u>	(1,819,846)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(6,533)
(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, 2023	\$ 1,097,718	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(1,065,455)</u>	32,263
(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 net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 1,080,000	
Less: change in deferred amount on refunding debt	(64,173)	
Add: change in premium on debt proceeds	<u>25,092</u>	1,040,919
(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	\$ 916	
Change in net pension asset/liability	(3,047,281)	
Change in deferred outflows related to pensions	(22,149)	
Change in deferred inflows related to pensions	3,170,389	
Change in compensated absences payable	<u>5,021</u>	106,896
Change in net position of governmental activities (Exhibit B)		<u>\$ 9,220,612</u>

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

Exhibit C-5

Hardeman County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,358,809	\$ 0	\$ 0	\$ 5,358,809	\$ 5,254,000	\$ 5,254,000	\$ 104,809
Licenses and Permits	40,748	0	0	40,748	16,850	16,850	23,898
Fines, Forfeitures, and Penalties	239,938	0	0	239,938	250,425	250,425	(10,487)
Charges for Current Services	1,161,293	0	0	1,161,293	1,492,850	1,492,850	(331,557)
Other Local Revenues	1,235,227	0	0	1,235,227	243,200	243,200	992,027
Fees Received From County Officials	830,217	0	0	830,217	1,060,000	1,060,000	(229,783)
State of Tennessee	87,186,583	0	0	87,186,583	46,319,286	96,319,286	(9,132,703)
Federal Government	3,599,045	0	0	3,599,045	2,442,834	2,442,834	1,156,211
Other Governments and Citizens Groups	230,859	0	0	230,859	160,000	160,000	70,859
Total Revenues	\$ 99,882,719	\$ 0	\$ 0	\$ 99,882,719	\$ 57,239,445	\$ 107,239,445	\$ (7,356,726)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 41,718	\$ 0	\$ 0	\$ 41,718	\$ 45,425	\$ 45,425	\$ 3,707
Board of Equalization	1,150	0	0	1,150	1,000	1,150	0
Beer Board	1,092	0	0	1,092	550	1,183	91
Budget and Finance Committee	2,176	0	0	2,176	2,150	2,450	274
Other Boards and Committees	4,722	0	0	4,722	5,800	5,800	1,078
County Mayor/Executive	255,225	0	0	255,225	272,090	272,090	16,865
County Attorney	314,750	0	0	314,750	229,786	289,786	(24,964)
Election Commission	521,417	0	0	521,417	275,084	566,304	44,887
Register of Deeds	199,382	0	0	199,382	217,793	217,793	18,411
Development	81,916	0	0	81,916	89,092	89,092	7,176
County Buildings	274,860	0	7,879	282,739	253,802	431,452	148,713
Other Facilities	41,835	0	0	41,835	49,771	50,971	9,136
Other General Administration	3,966	0	0	3,966	20,000	20,000	16,034
Preservation of Records	4,978	0	0	4,978	10,000	10,000	5,022
<u>Finance</u>							
Accounting and Budgeting	21,159	0	0	21,159	20,617	21,204	45
Purchasing	4,287	0	0	4,287	4,375	4,375	88

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 149,747	\$ 0	\$ 0	\$ 149,747	\$ 152,170	\$ 154,170	\$ 4,423
Reappraisal Program	165,856	0	0	165,856	185,969	185,969	20,113
County Trustee's Office	53,775	0	0	53,775	230,425	83,298	29,523
County Clerk's Office	115,179	0	0	115,179	332,629	155,579	40,400
<u>Administration of Justice</u>							
Circuit Court	387,670	0	1,028	388,698	450,771	450,771	62,073
General Sessions Court	157,244	0	0	157,244	155,330	158,030	786
Chancery Court	279,085	0	0	279,085	272,982	302,582	23,497
Juvenile Court	81,734	0	0	81,734	68,189	87,358	5,624
Courtroom Security	108,701	0	0	108,701	106,838	110,463	1,762
Victim Assistance Programs	1,610	0	0	1,610	3,500	3,500	1,890
<u>Public Safety</u>							
Sheriff's Department	2,030,862	(351)	0	2,030,511	2,020,568	2,077,232	46,721
Special Patrols	274,902	0	0	274,902	264,148	275,298	396
Workhouse	1,832,312	(1,168)	18,416	1,849,560	1,675,016	1,874,763	25,203
Juvenile Services	52,638	0	0	52,638	51,842	52,831	193
Fire Prevention and Control	86,030	0	0	86,030	155,000	155,000	68,970
Rural Fire Protection	1,653	0	0	1,653	5,500	5,500	3,847
Civil Defense	55,527	0	0	55,527	48,173	56,673	1,146
Other Emergency Management	0	0	0	0	260,000	200,000	200,000
County Coroner/Medical Examiner	28,080	0	0	28,080	30,000	30,000	1,920
Other Public Safety	79,828,328	0	0	79,828,328	43,148,786	93,148,786	13,320,458
<u>Public Health and Welfare</u>							
Local Health Center	43,455	0	23,481	66,936	354,351	354,351	287,415
Rabies and Animal Control	83,775	0	0	83,775	73,600	92,478	8,703
Ambulance/Emergency Medical Services	1,714,703	(6,656)	0	1,708,047	1,835,269	1,835,269	127,222
Dental Health Program	90,031	0	0	90,031	102,081	102,081	12,050
Sanitation Education/Information	29,162	0	0	29,162	45,700	45,700	16,538

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Libraries	\$ 102,897	\$ 0	\$ 0	\$ 102,897	\$ 105,897	\$ 105,897	\$ 3,000
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	93,453	0	0	93,453	95,330	95,330	1,877
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	45,190	0	0	45,190	50,231	52,231	7,041
<u>Other Operations</u>							
Industrial Development	40,000	0	0	40,000	45,750	45,750	5,750
Other Economic and Community Development	0	0	0	0	25,000	25,000	25,000
Airport	260,376	0	0	260,376	287,162	287,162	26,786
Veterans' Services	11,837	0	0	11,837	36,973	36,973	25,136
Contributions to Other Agencies	22,901	0	0	22,901	34,675	34,675	11,774
Employee Benefits	130,277	0	0	130,277	166,000	166,000	35,723
American Rescue Plan Act Grant #6	755,077	(388,581)	0	366,496	2,432,834	2,896,439	2,529,943
Miscellaneous	465,948	0	0	465,948	468,700	472,388	6,440
Total Expenditures	\$ 91,356,648	\$ (396,756)	\$ 50,804	\$ 91,010,696	\$ 57,276,724	\$ 108,246,602	\$ 17,235,906
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 8,526,071	\$ 396,756	\$ (50,804)	\$ 8,872,023	\$ (37,279)	\$ (1,007,157)	\$ 9,879,180
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 203,469	\$ 0	\$ 0	\$ 203,469	\$ 10,000	\$ 86,785	\$ 116,684
Transfers In	0	0	0	0	50,000	50,000	(50,000)
Transfers Out	(19,259)	0	0	(19,259)	0	(19,259)	0
Total Other Financing Sources	\$ 184,210	\$ 0	\$ 0	\$ 184,210	\$ 60,000	\$ 117,526	\$ 66,684
Net Change in Fund Balance	\$ 8,710,281	\$ 396,756	\$ (50,804)	\$ 9,056,233	\$ 22,721	\$ (889,631)	\$ 9,945,864
Fund Balance, July 1, 2022	5,876,094	(396,756)	0	5,479,338	4,600,478	4,600,478	878,860
Fund Balance, June 30, 2023	\$ 14,586,375	\$ 0	\$ (50,804)	\$ 14,535,571	\$ 4,623,199	\$ 3,710,847	\$ 10,824,724

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

Exhibit C-6

Hardeman County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 814,553	\$ 779,936	\$ 785,936	\$ 28,617
Licenses and Permits	0	20	20	(20)
Other Local Revenues	194,218	8,500	172,737	21,481
State of Tennessee	4,141,221	5,188,629	5,188,629	(1,047,408)
Federal Government	0	0	19,259	(19,259)
Total Revenues	<u>\$ 5,149,992</u>	<u>\$ 5,977,085</u>	<u>\$ 6,166,581</u>	<u>\$ (1,016,589)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 225,171	\$ 300,585	\$ 301,905	\$ 76,734
Highway and Bridge Maintenance	1,136,215	2,019,000	2,081,332	945,117
Operation and Maintenance of Equipment	406,085	562,200	562,200	156,115
Asphalt Plant Operations	891,854	2,310,773	2,310,773	1,418,919
Other Charges	99,591	125,100	125,100	25,509
Employee Benefits	431,289	728,000	731,034	299,745
Capital Outlay	1,068,508	997,835	1,211,762	143,254
Total Expenditures	<u>\$ 4,258,713</u>	<u>\$ 7,043,493</u>	<u>\$ 7,324,106</u>	<u>\$ 3,065,393</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 891,279</u>	<u>\$ (1,066,408)</u>	<u>\$ (1,157,525)</u>	<u>\$ 2,048,804</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 37,637	\$ 3,000	\$ 3,000	\$ 34,637
Transfers In	19,259	0	0	19,259
Total Other Financing Sources	<u>\$ 56,896</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 53,896</u>
Net Change in Fund Balance	\$ 948,175	\$ (1,063,408)	\$ (1,154,525)	\$ 2,102,700
Fund Balance, July 1, 2022	<u>3,404,722</u>	<u>2,763,251</u>	<u>2,868,781</u>	<u>535,941</u>
Fund Balance, June 30, 2023	<u>\$ 4,352,897</u>	<u>\$ 1,699,843</u>	<u>\$ 1,714,256</u>	<u>\$ 2,638,641</u>

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

Exhibit D-1

Hardeman County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2023

	<u>Business-type Activities Major Enterprise Fund Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 340
Equity in Pooled Cash and Investments	2,953,451
Accounts Receivable	27,822
Allowance for Uncollectibles	(18,084)
Cash Shortage	1,890
Total Current Assets	<u>\$ 2,965,419</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 219,838
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	864,965
Other Capital Assets	695,682
Total Noncurrent Assets	<u>\$ 1,780,485</u>
Total Assets	<u>\$ 4,745,904</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 32,449
Pension Changes in Investment Earnings	3,100
Pension Changes in Assumptions	86,471
Pension Contributions After Measurement Date	29,094
Total Deferred Outflows of Resources	<u>\$ 151,114</u>

(Continued)

Exhibit D-1

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

	Business-type Activities
	Major
	Enterprise
	Fund
	Solid Waste
	Disposal
	Fund
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 10,784
Payroll Deductions Payable	6,674
Accrued Leave - Current	5,180
Note Payable - Current	83,196
Total Current Liabilities	<u>\$ 105,834</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 1,870,525
Note Payable - Long-term	454,748
Net Pension Liability	16,774
Total Noncurrent Liabilities	<u>\$ 2,342,047</u>
Total Liabilities	<u>\$ 2,447,881</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 34,276
Total Deferred Inflows of Resources	<u>\$ 34,276</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 1,242,541
Unrestricted	<u>1,172,320</u>
Net Position	<u>\$ 2,414,861</u>

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

Exhibit D-2

Hardeman County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Revenues</u>	
Residential Waste Collection Charge	\$ 1,108,161
Solid Waste Disposal Fee	226,561
Service Charges	12,961
Total Operating Revenues	<u>\$ 1,347,683</u>
<u>Operating Expenses</u>	
County Official/Administrative Officer	\$ 46,878
Accountants/Bookkeepers	10,115
Laborers	180,456
Clerical Personnel	72,393
Part-time Personnel	133,500
Educational Incentive	1,550
Overtime Pay	83
Social Security	27,251
Pension	19,424
Employee and Dependent Insurance	64,412
Disability Insurance	22,378
Unemployment Compensation	1,356
Employer Medicare	6,373
Audit Services	5,347
Communication	7,039
Consultants	32,307
Contracts with Private Agencies	686,100
Data Processing Services	12,938
Maintenance and Repair Services - Buildings	7,518
Maintenance and Repair Services - Equipment	66,923
Maintenance and Repair Services - Vehicles	9,011
Postal Charges	291
Rentals	3,257
Travel	797
Other Contracted Services	38,207
Custodial Supplies	1,100

(Continued)

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Expenses (Cont.)</u>	
Food Supplies	\$ 72
Gasoline	52,155
Lubricants	1,327
Office Supplies	3,188
Uniforms	3,946
Utilities	89,703
Gravel and Chert	71,967
Fencing	1,800
Other Supplies and Materials	4,562
Liability Insurance	13,815
Refunds	1,585
Depreciation	205,274
Other Charges	10,081
Office Equipment	268
Total Operating Expenses	<u>\$ 1,916,747</u>
Operating Income (Loss)	<u>\$ (569,064)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 95,466
Miscellaneous Refunds	3,222
Other State Revenues	13,606
Interest on Notes	(18,500)
Total Nonoperating Revenues (Expenses)	<u>\$ 93,794</u>
Change in Net Position	\$ (475,270)
Net Position, July 1, 2022	<u>2,890,131</u>
Net Position, June 30, 2023	<u>\$ 2,414,861</u>

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

Exhibit D-3

Hardeman County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 1,349,266
Payments for Waste Disposal and Maintenance	(1,998,068)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (648,802)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Other State Revenues	\$ 16,828
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 16,828</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 95,466
Net Cash Provided By (Used In) Investing Activities	<u>\$ 95,466</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Interest Paid on Notes	\$ (18,500)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (18,500)</u>
Increase (Decrease) in Cash	\$ (555,008)
Cash, July 1, 2022	<u>3,508,799</u>
Cash, June 30, 2023	<u><u>\$ 2,953,791</u></u>

(Continued)

Exhibit D-3

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

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
<u>Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (569,064)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	205,274
Changes in Assets and Liabilities:	
(Increase) in Accounts Receivable	(3,009)
Increase in Allowance for Uncollectibles	1,956
(Increase) in Deferred Outflows of Resources Related to Pensions	(14,806)
(Decrease) in Accounts Payable	(143,315)
Increase in Payroll Deductions Payable	6,597
(Decrease) in Due to State of Tennessee	(600)
(Decrease) in Long Term Debt	(80,781)
(Decrease) in Compensated Absences	(1,571)
(Decrease) in Deferred Inflows Related to Pensions	(165,571)
(Decrease) in Accrued Liability for Landfill Closure/Postclosure Costs	(54,619)
Increase in Net Pension Liability	170,707
Net Cash Provided By (Used In) Operating Activities	<u>\$ (648,802)</u>
<u>Reconciliation of Cash with Statement of Net Position</u>	
Cash Per Net Position	\$ 340
Equity in Pooled Cash and Investments Per Net Position	<u>2,953,451</u>
Cash, June 30, 2023	<u>\$ 2,953,791</u>

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

Exhibit E-1

Hardeman County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,815,786
Due from Other Governments	<u>462,334</u>
Total Assets	<u>\$ 2,278,120</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 462,334</u>
Total Liabilities	<u>\$ 462,334</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,815,786</u>
Total Net Position	<u>\$ 1,815,786</u>

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

Hardeman County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 2,604,206
Fines/Fees and Other Collections	<u>7,084,883</u>
Total Additions	<u>\$ 9,689,089</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 2,604,206
Payments to State	2,362,853
Payments to Cities, Individuals, and Others	<u>4,321,832</u>
Total Deductions	<u>\$ 9,288,891</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 400,198
Net Position, July 1, 2022	<u>1,415,588</u>
Net Position, June 30, 2023	<u><u>\$ 1,815,786</u></u>

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

HARDEMAN COUNTY, TENNESSEE
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HARDEMAN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

Administrative Office:

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

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

B. Government-wide and Fund Financial Statements

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

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

Hardeman County issues all debt for the discretely presented Hardeman County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023.

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

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

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

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

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

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

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

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

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

Hardeman County reports the following major governmental funds:

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

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

Hardeman County reports the following major proprietary fund:

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

Additionally, Hardeman County reports the following fund types:

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

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

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

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

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

Education Capital Projects Fund – This fund accounts for transactions involving building construction and renovation for the school department.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

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

1. Deposits and Investments

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

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

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

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

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the

pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Hardeman County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. Ambulance and solid waste receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 0.67 percent of total taxes levied.

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

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

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

3. **Restricted Assets**

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

4. **Capital Assets**

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for a deferred charge on refunding, pension and OPEB changes in experience, pension changes in investment earnings, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Absences

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

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$6,703,184 in restricted net position, of which \$448,479 is restricted by enabling legislation.

As of June 30, 2023, Hardeman County had \$1,425,000 in outstanding debt for capital purposes for the discretely presented Hardeman County School Department. This debt is a liability of Hardeman County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Hardeman County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

E. Pension Plans

Primary Government

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

the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented Hardeman County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Hardeman County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Hardeman County School Department

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

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

Primary Government

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

Discretely Presented Hardeman County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2023, the Hardeman County and the Hardeman County School Department reported the following encumbrances:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
General	\$ 50,804
Nonmajor Fund:	
Drug Control	7,420
School Department:	
Major Funds:	
General Purpose School	121,299
School Federal Projects	877,443

B. Cash Shortage – Prior Year

On February 4, 2015, the Comptroller’s Division of Investigations issued a special report on the Hardeman County Solid Waste Office for the period July 1, 2013, through September 9, 2014. This report disclosed that a former employee failed to make deposits of collections of at least \$3,062. On January 7, 2016, the former employee pled guilty to theft of property and was ordered to pay restitution of \$3,070 and a fine of \$500. The outstanding cash shortage totaled \$1,890 at June 30, 2023.

C. Expenditures Exceeded Appropriations

Expenditures and other uses exceeded appropriations approved by the county commission in one of 53 major appropriations categories (the legal level of control) of the General Fund and in one of six major appropriation categories of the General Debt Service Fund by \$24,964 and \$713, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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

(CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2023, Hardeman County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Hardeman County and the discretely presented Hardeman County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
State Treasurer's Investment Pool	1 to 46	N/A	\$ 2,105,374

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Hardeman County has no investment policy that would further limit its investment choices. As of June 30, 2023, Hardeman County's investment in the State Treasurer's Investment Pool was unrated.

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

TCRS Stabilization Trust

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

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

On June 30, 2023, the Hardeman County School Department had the following investments held by the trust on its behalf. These funds are

recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 105,279
Developed Market International Equity	N/A	N/A	47,545
Emerging Market International Equity	N/A	N/A	13,584
U.S. Fixed Income	N/A	N/A	67,922
Real Estate	N/A	N/A	33,961
Short-term Securities	N/A	N/A	3,397
NAV - Private Equity and Strategic Lending	N/A	N/A	67,922
Total			\$ 339,610

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

B. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government

Governmental Activities:

	Balance				Balance
	7-1-22	Increases	Decreases		6-30-23
Capital Assets Not Depreciated:					
Land	\$ 1,757,650	\$ 0	\$ 0	\$	1,757,650
Total Capital Assets Not Depreciated	\$ 1,757,650	\$ 0	\$ 0	\$	1,757,650
Capital Assets Depreciated:					
Buildings and Improvements	\$ 28,758,018	\$ 0	\$ 0	\$	28,758,018
Infrastructure	29,591,112	0	0		29,591,112
Other Capital Assets	11,749,200	1,337,941	(311,456)		12,775,685
Total Capital Assets Depreciated	\$ 70,098,330	\$ 1,337,941	\$ (311,456)	\$	71,124,815
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 17,231,717	\$ 968,756	\$ 0	\$	18,200,473
Infrastructure	19,060,088	1,400,766	0		20,460,854
Other Capital Assets	7,995,034	788,265	(304,923)		8,478,376
Total Accumulated Depreciation	\$ 44,286,839	\$ 3,157,787	\$ (304,923)	\$	47,139,703
Total Capital Assets Depreciated, Net	\$ 25,811,491	\$ (1,819,846)	\$ (6,533)	\$	23,985,112
Governmental Activities Capital Assets, Net	\$ 27,569,141	\$ (1,819,846)	\$ (6,533)	\$	25,742,762

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

Governmental Activities:

General Government	\$ 250,320
Finance	2,231
Administration of Justice	180,193
Public Safety	695,615
Public Health and Welfare	235,567
Highways/Public Works	<u>1,793,861</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 3,157,787</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 25,742,762
Less:	
Outstanding principal of capital debt and other capital borrowings	(15,295,000)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(178,086)</u>
Net Investment in Capital Assets	<u><u>\$ 10,269,676</u></u>

Business-type Activities:

	Balance 7-1-22	Increases	Balance 6-30-23
Capital Assets Not Depreciated:			
Land	\$ 219,838	\$ 0	\$ 219,838
Total Capital Assets Not Depreciated	<u>\$ 219,838</u>	<u>\$ 0</u>	<u>\$ 219,838</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 2,507,367	\$ 0	\$ 2,507,367
Other Capital Assets	1,454,225		1,454,225
Total Capital Assets Depreciated	<u>\$ 3,961,592</u>	<u>\$ 0</u>	<u>\$ 3,961,592</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,573,899	\$ 68,503	\$ 1,642,402
Other Capital Assets	621,772	136,771	758,543
Total Accumulated Depreciation	<u>\$ 2,195,671</u>	<u>\$ 205,274</u>	<u>\$ 2,400,945</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,765,921</u>	<u>\$ (205,274)</u>	<u>\$ 1,560,647</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,985,759</u>	<u>\$ (205,274)</u>	<u>\$ 1,780,485</u>

There were no decreases in capital assets to report during the year ended June 30, 2023.

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

Business-type Activities:

Solid Waste Disposal	<u>\$ 205,274</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 205,274</u>

Net Investment in Capital Assets

Capital Assets	\$ 1,780,485
Less:	
Outstanding principal of capital debt and other capital borrowings	(537,944)
Net Investment in Capital Assets	<u>\$ 1,242,541</u>

Discretely Presented Hardeman County School Department

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 358,116	\$ 0	\$ 0	\$ 358,116
Construction in Progress	628,453	591,554	(628,453)	591,554
Total Capital Assets Not Depreciated	<u>\$ 986,569</u>	<u>\$ 591,554</u>	<u>\$ (628,453)</u>	<u>\$ 949,670</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 38,600,201	\$ 1,163,508	\$ 0	\$ 39,763,709
Other Capital Assets	9,419,440	446,077		9,865,517
Total Capital Assets Depreciated	<u>\$ 48,019,641</u>	<u>\$ 1,609,585</u>	<u>\$ 0</u>	<u>\$ 49,629,226</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 26,237,344	\$ 1,218,621	\$ 0	\$ 27,455,965
Other Capital Assets	7,739,988	499,040		8,239,028
Total Accumulated Depreciation	<u>\$ 33,977,332</u>	<u>\$ 1,717,661</u>	<u>\$ 0</u>	<u>\$ 35,694,993</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,042,309</u>	<u>\$ (108,076)</u>	<u>\$ 0</u>	<u>\$ 13,934,233</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,028,878</u>	<u>\$ 483,478</u>	<u>\$ (628,453)</u>	<u>\$ 14,883,903</u>

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

Governmental Activities:

Instruction	\$ 730,545
Support Services	904,316
Operation of Non-instructional Services	<u>82,800</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,717,661</u></u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,783
Nonmajor governmental	General	71,761
Discretely Presented School Department:		
General Purpose School	School Federal Projects	248,056
School Federal Projects	General Purpose School	190

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

A receivable in the Drug Control Fund totaling \$71,761 was in transit from the General Fund at June 30, 2023.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In	
	Highway/ Public Works Fund	Purpose
General Fund	\$ 19,259	American Rescue Plan Act funds
Total	\$ 19,259	

Discretely Presented Hardeman County School Department

Transfers Out	Transfers In			Purpose
	General Purpose School Fund	School Federal Projects Fund	Education Capital Projects Fund	
General Purpose School Fund	\$ 0	\$ 90,474	\$ 0	Community Oriented Policing Services funds
"	0	0	4,000,000	Capital outlay
School Federal Projects Fund	249,309	0	0	Indirect costs
Total	\$ 249,309	\$ 90,474	\$ 4,000,000	

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

D. Long-term Debt

Primary Government

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

debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds	2 to 3 %	4-1-30	\$ 2,815,000	\$ 955,000
General Obligation Bonds - Refunding	2 to 5	6-1-43	21,800,000	15,765,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2023, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 1,105,000	\$ 490,130	\$ 1,595,130
2025	485,000	463,455	948,455
2026	860,000	453,380	1,313,380
2027	525,000	434,005	959,005
2028	925,000	423,130	1,348,130
2029-2033	3,140,000	1,848,300	4,988,300
2034-2038	4,170,000	1,380,952	5,550,952
2039-2043	5,510,000	589,380	6,099,380
Total	\$ 16,720,000	\$ 6,082,732	\$ 22,802,732

There is \$1,182,789 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$657, based on the 2020 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled \$686, 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.

<u>Description of Debt</u>	<u>Outstanding 6-30-23</u>
<u>Bonds Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation School Bonds, Series 2013	\$ 955,000
General Obligation Refunding Bonds, Series 2015	<u>470,000</u>
 Total	 <u>\$ 1,425,000</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	<u>Bonds</u>
Balance, July 1, 2022	\$ 17,800,000
Reductions	<u>(1,080,000)</u>
 Balance, June 30, 2023	 <u>\$ 16,720,000</u>
 Balance Due Within One Year	 <u>\$ 1,105,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 16,720,000
Less: Balance Due Within One Year - Debt	(1,105,000)
Add: Unamortized Premium on Debt	<u>206,426</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	 <u>\$ 15,821,426</u>

Hardeman County Solid Waste Disposal Fund (enterprise fund)

Direct Borrowing and Direct Placements - Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The capital outlay note was issued for original terms of seven years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note included in long-term debt as of June 30, 2023, will be retired from the Solid Waste Disposal Fund.

The capital outlay note outstanding as of June 30, 2023, for business-type activities is as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
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Direct Borrowings and Direct Placements:

Capital Outlay Note	2.99 %	5-20-29	\$ 618,725	\$ 537,944
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The annual requirements to amortize the note outstanding as of June 30, 2023, including interest payments, are presented in the following table:

Year Ending June 30	Note - Direct Placement		
	Principal	Interest	Total
2024	\$ 83,196	\$ 16,085	\$ 99,281
2025	85,684	13,597	99,281
2026	88,246	11,035	99,281
2027	90,884	8,396	99,280
2028	93,601	5,679	99,280
2029	96,333	2,880	99,213
Total	\$ 537,944	\$ 57,672	\$ 595,616

Changes in Long-term Debt

Long-term debt activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2023, was as follows:

Business-type Activities:

	Notes - Direct Placement
Balance, July 1, 2022	\$ 618,725
Reductions	(80,781)
Balance, June 30, 2023	\$ 537,944
Balance Due Within One Year	\$ 83,196

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 537,944
Less: Balance Due Within One Year - Debt	<u>(83,196)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 454,748</u>

E. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>	<u>Net Pension Liability*</u>
Balance, July 1, 2022	\$ 172,017	\$ (2,812,189)
Additions	258,305	3,544,141
Reductions	<u>(263,326)</u>	<u>(496,860)</u>
Balance, June 30, 2023	<u>\$ 166,996</u>	<u>\$ 235,092</u>
Balance Due Within One Year	<u>\$ 166,996</u>	<u>\$ 0</u>

*At July 1, 2022, Hardeman County had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 402,088
Less: Balance Due Within One Year - Other	<u>(166,996)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 235,092</u>

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

Hardeman County Solid Waste Disposal (Enterprise) Fund

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2023, was as follows:

Business-type Activities:

	Landfill Closure/ Postclosure Care Costs	Compensated Absences	Net Pension Liability*
Balance, July 1, 2022	\$ 1,925,144	\$ 6,751	\$ (153,933)
Additions	19,858	9,966	252,876
Reductions	(74,477)	(11,537)	(82,169)
Balance, June 30, 2023	<u>\$ 1,870,525</u>	<u>\$ 5,180</u>	<u>\$ 16,774</u>
Balance Due Within One Year	<u>\$ 74,478</u>	<u>\$ 5,180</u>	<u>\$ 0</u>

*At July 1, 2022, the Solid Waste Disposal Fund had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 1,892,479
Less: Balance Due Within One Year - Other	<u>(79,658)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,812,821</u>

Discretely Presented Hardeman County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Hardeman County School Department for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Compensated Absences	Net Pension Liability*	Net OPEB Liability
Balance, July 1, 2022	\$ 153,357	\$ (2,080,878)	\$ 4,156,486
Additions	74,040	2,670,394	382,538
Reductions	(62,596)	(412,381)	(691,263)
Balance, June 30, 2023	<u>\$ 164,801</u>	<u>\$ 177,135</u>	<u>\$ 3,847,761</u>
Balance Due Within One Year	<u>\$ 43,977</u>	<u>\$ 0</u>	<u>\$ 0</u>

*At July 1, 2022, the school department had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 4,189,697
Less: Balance Due Within One Year - Other	<u>(43,977)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,145,720</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hardeman County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state’s Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$111,252. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

Employee Health Insurance

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

Discretely Presented Hardeman County School Department

Employee Health Insurance

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, 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 including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

C. Contingent Liabilities

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

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

D. Changes in Administration

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

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

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

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

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,870,525 reported as landfill closure and postclosure care liability at June 30, 2023, represents the cumulative amount reported to date based on the use of 99 percent of the estimated capacity of the extension landfill site (\$1,418,864) and for the original landfill site closed in 1999 (\$451,661) and represents estimates of the cost to perform all closure and postclosure care in 2023. The county will recognize the remaining estimated costs of closure and postclosure care of \$15,063 on the operating landfill as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Bolivar/Hardeman County Library is jointly owned by Hardeman County and the city of Bolivar and is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Hardeman County Mayor. The remaining three members are appointed by the Bolivar City Mayor. Hardeman County has control over budgeting and financing the joint venture only to the extent of representation by the four board members

appointed. Hardeman County contributed \$102,897 to the operations of the library during the year ended June 30, 2023.

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

Administrative Office:

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

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Hardeman County and non-certified employees of the discretely presented Hardeman County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 58.71 percent and the non-certified employees of the discretely presented school department comprised 41.29 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	274
Inactive Employees Entitled to But Not Yet Receiving Benefits	411
Active Employees	299
Total	984

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Hardeman County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contribution for Hardeman County was \$1,109,252 based on a rate of 11.2 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Hardeman County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Hardeman County's net pension liability (asset) was measured as of June 30, 2022, 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, 2022, 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, 2022, 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	
			100	%
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2021	\$ 41,880,403	\$ 46,927,403	\$ (5,047,000)
Changes for the Year:			
Service Cost	\$ 883,674	\$ 0	\$ 883,674
Interest	2,829,045	0	2,829,045
Differences Between Expected and Actual Experience	944,265	0	944,265
Contributions-Employer	0	988,349	(988,349)
Contributions-Employees	0	3,061	(3,061)
Net Investment Income	0	(1,781,061)	1,781,061
Benefit Payments, Including Refunds of Employee Contributions	(1,704,592)	(1,704,592)	0
Administrative Expense	0	(29,366)	29,366
Net Changes	\$ 2,952,392	\$ (2,523,609)	\$ 5,476,001
Balance, June 30, 2022	\$ 44,832,795	\$ 44,403,794	\$ 429,001

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.71%	\$ 26,321,334	\$ 26,069,467	\$ 251,866
School Department	41.29%	18,511,461	18,334,327	177,135
Total		\$ 44,832,795	\$ 44,403,794	\$ 429,001

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

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

Net Pension Liability (Asset) \$ 6,418,656 \$ 429,001 \$ (4,512,677)

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, 2023, Hardeman County recognized pension expense (negative pension expense) of \$918,385.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, Hardeman County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 829,877	\$ 876,598
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	79,277	0
Changes in Assumptions	2,211,496	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	1,109,252	N/A
Total	\$ 4,229,902	\$ 876,598

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,461,196	\$ 514,651
School Department	1,768,706	361,947
Total	\$ 4,229,902	\$ 876,598

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
2024	\$ 344,182
2025	465,148
2026	261,155
2027	1,173,567
2028	0
Thereafter	0

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

Discretely Presented Hardeman County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Hardeman County and non-certified employees of the discretely presented Hardeman County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 58.71 percent and the non-certified employees of the discretely presented school department comprised 41.29 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus

any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$150,091, which is 2.87 percent of covered payroll. In addition, employer contributions of \$49,385, which is 1.13 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, 2023, the school department reported a liability (asset) of (\$78,880) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .260395 percent. The proportion as of June 30, 2021, was .212610 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$113,130.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 4,313	\$ 47,925
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	24,863	0
Changes in Assumptions	92,404	0
Changes in Proportion of Net Pension Liability (Asset)	40,193	31,528
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	150,091	N/A
Total	<u>\$ 311,864</u>	<u>\$ 79,453</u>

The school department's employer contributions of 150,091, 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, 2024. 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
2024	\$ 3,463
2025	3,716
2026	(369)
2027	42,937
2028	6,221
Thereafter	26,352

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, 2022, 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, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 414,075 \$ (78,880) \$ (438,889)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Hardeman County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$1,060,836, which is 8.69 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, 2023, the school department reported a liability (asset) of (\$4,876,277) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .397607 percent. The proportion measured at June 30, 2021, was .410484 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$79,397.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 802,130	\$ 823,943
Changes in Assumptions	3,054,753	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	83,382	0
Changes in Proportion of Net Pension Liability (Asset)	93,476	406
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>1,060,836</u>	<u>N/A</u>
Total	<u>\$ 5,094,577</u>	<u>\$ 824,349</u>

The school department's employer contributions of \$1,060,836 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, 2024. 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
2024	\$ 529,438
2025	939,805
2026	(833,546)
2027	2,573,695
2028	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, 2022, 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, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 9,658,225 \$ (4,876,277) \$ (16,982,552)

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 \$250,488 and teachers contributed \$127,525 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

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

OPEB Provided Through State Administered Public Entity Risk Pools

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

The school department's total OPEB liability for the plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2022, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 3.54 percent, based on an average rating of AA/Aa as shown on the Bond Buyers 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 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 non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2020 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. 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 7.36 percent to 8.37 percent.

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

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

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

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries	
Currently receiving Benefits	29
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	301
Total	<u>330</u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$158,451 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Hardeman County School Department</u>	<u>State of TN</u>	<u>Total OPEB Liability</u>
	62.064%	37.936%	
Balance July 1, 2021	\$ 4,156,486	\$ 2,299,910	\$ 6,456,396
Changes for the Year:			
Service Cost	\$ 214,599	\$ 131,172	\$ 345,771
Interest	89,606	54,771	144,377
Difference between Expected and Actuarial Experience	78,333	47,881	126,214
Changes in Proportion	(149,399)	149,399	0
Changes in Assumption and Other Inputs	(394,553)	(241,169)	(635,722)
Benefit Payments	(147,309)	(90,042)	(237,351)
Net Changes	<u>\$ (308,725)</u>	<u>\$ 52,014</u>	<u>\$ (256,711)</u>
Balance June 30, 2022	<u>\$ 3,847,761</u>	<u>\$ 2,351,924</u>	<u>\$ 6,199,685</u>

The Hardeman County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Hardeman County School Department's proportionate share of the collective total OPEB Liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$220,752 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Hardeman County School Department's proportionate share of the collective OPEB Liability was 62.064% and the State of Tennessee's share was 37.936%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$521,691 including the state's share of the expense. At June 30, 2023, 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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 215,064	\$ 225,510
Changes of Assumptions	672,259	525,191
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	68,672	209,046
Benefits Paid After the Measurement Date of June 30, 2022	<u>158,451</u>	<u>0</u>
Total	<u>\$ 1,114,446</u>	<u>\$ 959,747</u>

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

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

Year Ending June 30	School Department
2024	\$ (3,266)
2025	(3,266)
2026	(3,266)
2027	(402)
2028	11,067
Thereafter	(4,619)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.54%	3.54%	4.54%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,122,209	\$ 3,847,761	\$ 3,588,566
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Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate

	1% Decrease 7.37 to 3.5%	Current Rate 8.37 to 4.5%	1% Increase 9.37 to 5.5%
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Proportionate Share of the
Collective Total OPEB
Liability

\$ 3,483,840 \$ 3,847,761 \$ 4,266,232

I. Purchasing Laws

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

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 720,165	\$ 745,213	\$ 769,187	\$ 743,695	\$ 772,435	\$ 830,701	\$ 834,483	\$ 858,513	\$ 883,674
Interest	1,984,478	2,264,265	2,227,861	2,303,730	2,346,767	2,491,837	2,577,859	2,722,626	2,829,045
Differences Between Actual and Expected Experience	2,014,756	(2,342,360)	(700,148)	(863,492)	306,954	(537,246)	186,164	(1,281,912)	944,265
Changes in Assumptions	0	0	0	770,039	0	0	0	3,685,828	0
Benefit Payments, Including Refunds of Employee Contributions	(948,864)	(1,079,052)	(1,273,914)	(1,245,724)	(1,414,098)	(1,552,816)	(1,652,295)	(1,599,209)	(1,704,592)
Net Change in Total Pension Liability	\$ 3,770,535	\$ (411,934)	\$ 1,022,986	\$ 1,708,248	\$ 2,012,058	\$ 1,232,476	\$ 1,946,211	\$ 4,385,846	\$ 2,952,392
Total Pension Liability, Beginning	26,213,977	29,984,512	29,572,578	30,595,564	32,303,812	34,315,870	35,548,346	37,494,557	41,880,403
Total Pension Liability, Ending (a)	\$ 29,984,512	\$ 29,572,578	\$ 30,595,564	\$ 32,303,812	\$ 34,315,870	\$ 35,548,346	\$ 37,494,557	\$ 41,880,403	\$ 44,832,795
Plan Fiduciary Net Position									
Contributions - Employer	\$ 767,506	\$ 772,148	\$ 767,538	\$ 766,716	\$ 844,019	\$ 973,460	\$ 1,004,279	\$ 983,311	\$ 988,349
Contributions - Employee	0	394	0	14,061	0	335	3,134	5,501	3,061
Net Investment Income	4,154,524	889,770	778,962	3,356,358	2,689,958	2,567,986	1,806,060	9,689,028	(1,781,061)
Benefit Payments, Including Refunds of Employee Contributions	(948,864)	(1,079,052)	(1,273,914)	(1,245,724)	(1,414,098)	(1,552,816)	(1,652,295)	(1,599,209)	(1,704,592)
Administrative Expense	(13,867)	(18,785)	(27,551)	(30,536)	(35,047)	(32,892)	(32,062)	(30,657)	(29,366)
Net Change in Plan Fiduciary Net Position	\$ 3,959,299	\$ 564,475	\$ 245,035	\$ 2,860,875	\$ 2,084,832	\$ 1,956,073	\$ 1,129,116	\$ 9,047,974	\$ (2,523,609)
Plan Fiduciary Net Position, Beginning	25,079,724	29,039,023	29,603,498	29,848,533	32,709,408	34,794,240	36,750,313	37,879,429	46,927,403
Plan Fiduciary Net Position, Ending (b)	\$ 29,039,023	\$ 29,603,498	\$ 29,848,533	\$ 32,709,408	\$ 34,794,240	\$ 36,750,313	\$ 37,879,429	\$ 46,927,403	\$ 44,403,794
Net Pension Liability (Asset), Ending (a - b)	\$ 945,489	\$ (30,920)	\$ 747,031	\$ (405,596)	\$ (478,370)	\$ (1,201,967)	\$ (384,872)	\$ (5,047,000)	\$ 429,001
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.85%	100.10%	97.56%	101.26%	101.39%	103.38%	101.03%	112.05%	99.04%
Covered Payroll	\$ 8,623,652	\$ 8,666,079	\$ 8,619,206	\$ 8,607,854	\$ 9,184,089	\$ 9,580,266	\$ 9,769,259	\$ 9,565,286	\$ 9,614,285
Net Pension Liability (Asset) as a Percentage of Covered Payroll	10.96%	(0.36)%	8.67%	(4.71)%	(5.21)%	(12.55)%	(3.94)%	(52.76)%	4.46%

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

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 767,506	\$ 772,148	\$ 767,538	\$ 766,716	\$ 844,019	\$ 973,460	\$ 1,004,279	\$ 983,311	\$ 988,349	\$ 1,109,252
Less: Contributions in Relation to the Actuarially Determined Contribution	(767,506)	(772,148)	(767,538)	(766,716)	(844,019)	(973,460)	(1,004,279)	(983,311)	(988,349)	(1,109,252)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,623,652	\$ 8,666,079	\$ 8,619,206	\$ 8,607,854	\$ 9,184,089	\$ 9,580,266	\$ 9,769,259	\$ 9,565,286	\$ 9,614,285	\$ 9,904,165
Contributions as a Percentage of Covered Payroll	8.90%	8.91%	8.90%	8.91%	9.19%	10.16%	10.28%	10.28%	10.28%	11.20%

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

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 33,360	\$ 53,252	\$ 87,659	\$ 44,974	\$ 53,494	\$ 59,044	\$ 61,982	\$ 89,380	\$ 150,091
Less: Contributions in Relation to the Contractually Required Contribution	(33,360)	(53,252)	(87,659)	(110,316)	(53,494)	(59,044)	(61,982)	(89,380)	(150,091)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (65,342)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 833,981	\$ 1,331,303	\$ 2,121,651	\$ 2,757,924	\$ 2,757,452	\$ 2,908,559	\$ 3,068,403	\$ 4,446,749	\$ 5,229,652
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.13%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).
 2019: Pension - 1.94%, SRT - 2.02%
 2020: Pension - 2.03%, SRT - 1.97%
 2021: Pension - 2.02%, SRT - 1.98%
 2022: Pension - 2.01%, SRT - 1.99%
 2023: Pension - 2.87%, SRT - 1.13%

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 1,524,099	\$ 1,509,819	\$ 1,463,697	\$ 1,385,918	\$ 1,360,556	\$ 1,509,799	\$ 1,452,228	\$ 1,353,318	\$ 1,347,756	\$ 1,060,836
Less: Contributions in Relation to the Contractually Required Contribution	(1,524,099)	(1,509,819)	(1,463,697)	(1,385,918)	(1,360,556)	(1,509,799)	(1,452,228)	(1,353,318)	(1,347,756)	(1,060,836)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 17,163,279	\$ 16,701,599	\$ 16,191,323	\$ 15,400,814	\$ 14,984,072	\$ 14,431,776	\$ 13,662,423	\$ 13,183,485	\$ 13,084,987	\$ 12,206,126
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.00%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.393109%	0.302566%	0.333895%	0.315594%	0.260574%	0.230487%	0.212610%	0.260395%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (16,148)	\$ (31,498)	\$ (88,093)	\$ (143,131)	\$ (147,901)	\$ (131,065)	\$ (230,301)	\$ (78,880)
Covered Payroll	\$ 833,981	\$ 1,331,303	\$ 2,121,651	\$ 2,757,924	\$ 2,757,452	\$ 2,908,559	\$ 3,068,403	\$ 4,446,749
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.15)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%
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%	104.55%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.437282%	0.446147%	0.448539%	0.433697%	0.427912%	0.430463%	0.410473%	0.401484%	0.397607%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (71,056)	\$ 182,757	\$ 2,803,117	\$ (141,899)	\$ (1,505,787)	\$ (4,425,930)	\$ (3,130,159)	\$ (17,316,975)	\$ (4,876,277)
Covered Payroll	\$ 17,163,279	\$ 16,701,599	\$ 16,191,323	\$ 15,400,814	\$ 14,984,072	\$ 14,431,776	\$ 13,662,423	\$ 13,183,485	\$ 13,084,987
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094250%	17.31%	(0.92)%	(10.05)%	(30.67)%	(22.91)%	(131.35)%	(37.27)%
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%	104.42%

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

Exhibit F-7

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

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 256,757	\$ 238,226	\$ 232,128	\$ 202,058	\$ 256,905	\$ 345,771
Interest	151,532	181,280	182,267	170,740	117,114	144,377
Differences Between Actual and Expected Experience	0	(361,660)	82,020	(277,213)	259,230	126,214
Changes in Assumptions or Other Inputs	(226,325)	160,451	(380,504)	522,925	897,979	(635,722)
Benefit Payments	(250,134)	(271,380)	(269,649)	(242,980)	(233,131)	(237,351)
Net Change in Total OPEB Liability	\$ (68,170)	\$ (53,083)	\$ (153,738)	\$ 375,530	\$ 1,298,097	\$ (256,711)
Total OPEB Liability, Beginning	5,057,760	4,989,590	4,936,507	4,782,769	5,158,299	6,456,396
Total OPEB Liability, Ending	\$ 4,989,590	\$ 4,936,507	\$ 4,782,769	\$ 5,158,299	\$ 6,456,396	\$ 6,199,685
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,783,763	\$ 1,778,046	\$ 1,745,424	\$ 1,760,032	\$ 2,299,910	\$ 2,351,924
Employer Proportionate Share of the Total OPEB Liability	3,205,827	3,158,461	3,037,345	3,398,267	4,156,486	3,847,761
Covered Employee Payroll	\$ 18,762,162	\$ 18,327,272	\$ 17,711,118	\$ 17,011,783	\$ 16,907,329	\$ 16,493,668
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.09%	17.23%	17.15%	19.98%	24.58%	23.33%

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%
2022	3.54%

(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%
For the 2023 plan year - from 7.36% to 8.37%

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

HARDEMAN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2023 were calculated based on the July 1, 2021, 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	2.25%
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 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	2.125%

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Debt Service Fund

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

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

Exhibit G-1

Hardeman County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			Debt Service	Total Nonmajor Governmental Funds
	Drug Control	Constitu- tional - Officers - Fees	Total	General Debt Service Fund	
<u>ASSETS</u>					
Cash	\$ 0	\$ 85,979	\$ 85,979	\$ 0	\$ 85,979
Equity in Pooled Cash and Investments	124,405	0	124,405	1,182,652	1,307,057
Accounts Receivable	0	108	108	0	108
Due from Other Funds	71,761	0	71,761	0	71,761
Property Taxes Receivable	0	0	0	375,582	375,582
Allowance for Uncollectible Property Taxes	0	0	0	(4,772)	(4,772)
Total Assets	<u>\$ 196,166</u>	<u>\$ 86,087</u>	<u>\$ 282,253</u>	<u>\$ 1,553,462</u>	<u>\$ 1,835,715</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 603	\$ 0	\$ 603	\$ 778	\$ 1,381
Due to Other Funds	0	1,783	1,783	0	1,783
Total Liabilities	<u>\$ 603</u>	<u>\$ 1,783</u>	<u>\$ 2,386</u>	<u>\$ 778</u>	<u>\$ 3,164</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 355,320	\$ 355,320
Deferred Delinquent Property Taxes	0	0	0	14,575	14,575
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 369,895</u>	<u>\$ 369,895</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 195,563	\$ 0	\$ 195,563	\$ 0	\$ 195,563
Committed for Finance	0	84,304	84,304	0	84,304
Committed for Debt Service	0	0	0	1,182,789	1,182,789
Total Fund Balances	<u>\$ 195,563</u>	<u>\$ 84,304</u>	<u>\$ 279,867</u>	<u>\$ 1,182,789</u>	<u>\$ 1,462,656</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 196,166</u>	<u>\$ 86,087</u>	<u>\$ 282,253</u>	<u>\$ 1,553,462</u>	<u>\$ 1,835,715</u>

Exhibit G-2

Hardeman County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			Debt Service	Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service Fund	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 1,139,947	\$ 1,139,947
Fines, Forfeitures, and Penalties	100,750	0	100,750	0	100,750
Charges for Current Services	0	362,204	362,204	0	362,204
Other Governments and Citizens Groups	0	0	0	683,840	683,840
Total Revenues	<u>\$ 100,750</u>	<u>\$ 362,204</u>	<u>\$ 462,954</u>	<u>\$ 1,823,787</u>	<u>\$ 2,286,741</u>
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 362,164	\$ 362,164	\$ 0	\$ 362,164
Public Safety	110,999	0	110,999	0	110,999
Debt Service:					
Principal on Debt	0	0	0	1,080,000	1,080,000
Interest on Debt	0	0	0	509,080	509,080
Other Debt Service	0	0	0	16,041	16,041
Total Expenditures	<u>\$ 110,999</u>	<u>\$ 362,164</u>	<u>\$ 473,163</u>	<u>\$ 1,605,121</u>	<u>\$ 2,078,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,249)</u>	<u>\$ 40</u>	<u>\$ (10,209)</u>	<u>\$ 218,666</u>	<u>\$ 208,457</u>
Net Change in Fund Balances	\$ (10,249)	\$ 40	\$ (10,209)	\$ 218,666	\$ 208,457
Fund Balance, July 1, 2022	205,812	84,264	290,076	964,123	1,254,199
Fund Balance, June 30, 2023	<u>\$ 195,563</u>	<u>\$ 84,304</u>	<u>\$ 279,867</u>	<u>\$ 1,182,789</u>	<u>\$ 1,462,656</u>

Exhibit G-3

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 100,750	\$ 0	\$ 100,750	\$ 61,800	\$ 61,800	\$ 38,950
Total Revenues	<u>\$ 100,750</u>	<u>\$ 0</u>	<u>\$ 100,750</u>	<u>\$ 61,800</u>	<u>\$ 61,800</u>	<u>\$ 38,950</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 110,999	\$ 7,420	\$ 118,419	\$ 61,800	\$ 157,940	\$ 39,521
Total Expenditures	<u>\$ 110,999</u>	<u>\$ 7,420</u>	<u>\$ 118,419</u>	<u>\$ 61,800</u>	<u>\$ 157,940</u>	<u>\$ 39,521</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,249)</u>	<u>\$ (7,420)</u>	<u>\$ (17,669)</u>	<u>\$ 0</u>	<u>\$ (96,140)</u>	<u>\$ 78,471</u>
Net Change in Fund Balance	\$ (10,249)	\$ (7,420)	\$ (17,669)	\$ 0	\$ (96,140)	\$ 78,471
Fund Balance, July 1, 2022	205,812	0	205,812	103,623	103,623	102,189
Fund Balance, June 30, 2023	<u>\$ 195,563</u>	<u>\$ (7,420)</u>	<u>\$ 188,143</u>	<u>\$ 103,623</u>	<u>\$ 7,483</u>	<u>\$ 180,660</u>

Hardeman County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 General Debt Service Fund
 For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,139,947	\$ 1,099,700	\$ 1,099,700	\$ 40,247
Other Governments and Citizens Groups	683,840	0	683,840	0
Total Revenues	<u>\$ 1,823,787</u>	<u>\$ 1,099,700</u>	<u>\$ 1,783,540</u>	<u>\$ 40,247</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 445,000	\$ 513,272	\$ 512,272	\$ 67,272
Education	635,000	635,000	635,000	0
<u>Interest on Debt</u>				
General Government	461,018	472,173	472,173	11,155
Education	48,062	48,063	48,063	1
<u>Other Debt Service</u>				
General Government	14,713	13,000	14,000	(713)
Education	1,328	1,500	1,500	172
Total Expenditures	<u>\$ 1,605,121</u>	<u>\$ 1,683,008</u>	<u>\$ 1,683,008</u>	<u>\$ 77,887</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 218,666</u>	<u>\$ (583,308)</u>	<u>\$ 100,532</u>	<u>\$ 118,134</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 684,000	\$ 160	\$ (160)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 684,000</u>	<u>\$ 160</u>	<u>\$ (160)</u>
Net Change in Fund Balance	\$ 218,666	\$ 100,692	\$ 100,692	\$ 117,974
Fund Balance, July 1, 2022	964,123	731,920	731,920	232,203
Fund Balance, June 30, 2023	<u>\$ 1,182,789</u>	<u>\$ 832,612</u>	<u>\$ 832,612</u>	<u>\$ 350,177</u>

Custodial Funds

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

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

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

Exhibit H-1

Hardeman County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2023

	<u>Custodial Funds</u>		
	<u>Cities -</u>	<u>Constitu -</u>	
	<u>Sales</u>	<u>tional</u>	
	<u>Tax</u>	<u>Officers -</u>	<u>Total</u>
		<u>Custodial</u>	
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,815,786	\$ 1,815,786
Due from Other Governments	462,334	0	462,334
Total Assets	<u>\$ 462,334</u>	<u>\$ 1,815,786</u>	<u>\$ 2,278,120</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 462,334	\$ 0	\$ 462,334
Total Liabilities	<u>\$ 462,334</u>	<u>\$ 0</u>	<u>\$ 462,334</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 1,815,786	\$ 1,815,786
Total Net Position	<u>\$ 0</u>	<u>\$ 1,815,786</u>	<u>\$ 1,815,786</u>

Hardeman County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 2,604,206	\$ 0	\$ 2,604,206
Fines/Fees and Other Collections	0	7,084,883	7,084,883
Total Additions	<u>\$ 2,604,206</u>	<u>\$ 7,084,883</u>	<u>\$ 9,689,089</u>
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 2,604,206	\$ 0	\$ 2,604,206
Payments to State	0	2,362,853	2,362,853
Payments to Cities, Individuals, and Others	0	4,321,832	4,321,832
Total Deductions	<u>\$ 2,604,206</u>	<u>\$ 6,684,685</u>	<u>\$ 9,288,891</u>
Change in Net Position	\$ 0	\$ 400,198	\$ 400,198
Net Position July 1, 2022	0	1,415,588	1,415,588
Net Position June 30, 2023	<u>\$ 0</u>	<u>\$ 1,815,786</u>	<u>\$ 1,815,786</u>

Hardeman County School Department

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

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

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

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

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

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

Exhibit I-1

Hardeman County, Tennessee
Statement of Activities
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 23,195,681	\$ 0	\$ 5,857,193	\$ 0	\$ (17,338,488)
Support Services	15,468,110	91,614	125,440	0	(15,251,056)
Operation of Non-instructional Services	4,738,362	148,440	5,284,299	1,647,694	2,342,071
Total Governmental Activities	\$ 43,402,153	\$ 240,054	\$ 11,266,932	\$ 1,647,694	\$ (30,247,473)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,061,119
Local Option Sales Taxes					3,713,193
Other Local Taxes					11,710
Grants and Contributions Not Restricted for Specific Programs					23,535,876
Unrestricted Investment Income					115,124
Miscellaneous					152,680
Total General Revenues					\$ 33,589,702
Change in Net Position					\$ 3,342,229
Net Position, July 1, 2022					35,776,782
Net Position, June 30, 2023					\$ 39,119,011

Exhibit I-2

Hardeman County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hardeman County School Department
June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,137,690	\$ 1,137,690
Equity in Pooled Cash and Investments	7,056,274	232,849	3,571,072	1,481,431	12,341,626
Inventories	0	0	0	595	595
Accounts Receivable	15,164	1,422	0	70	16,656
Due from Other Governments	2,030,951	1,962,086	0	239,536	4,232,573
Due from Other Funds	248,056	190	0	0	248,246
Property Taxes Receivable	6,854,373	0	0	0	6,854,373
Allowance for Uncollectible Property Taxes	(87,082)	0	0	0	(87,082)
Restricted Assets	339,610	0	0	0	339,610
Total Assets	<u>\$ 16,457,346</u>	<u>\$ 2,196,547</u>	<u>\$ 3,571,072</u>	<u>\$ 2,859,322</u>	<u>\$ 25,084,287</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 272,467	\$ 116,647	\$ 29,918	\$ 4,804	\$ 423,836
Accrued Payroll	367,446	111,720	0	27,174	506,340
Payroll Deductions Payable	11,038	4,593	0	90	15,721
Due to Other Funds	190	248,056	0	0	248,246
Total Liabilities	<u>\$ 651,141</u>	<u>\$ 481,016</u>	<u>\$ 29,918</u>	<u>\$ 32,068</u>	<u>\$ 1,194,143</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,484,593	\$ 0	\$ 0	\$ 0	\$ 6,484,593
Deferred Delinquent Property Taxes	262,273	0	0	0	262,273
Other Deferred/Unavailable Revenue	544,158	0	0	14,188	558,346
Total Deferred Inflows of Resources	<u>\$ 7,291,024</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,188</u>	<u>\$ 7,305,212</u>

(Continued)

Exhibit I-2

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 44,441	\$ 35,000	\$ 0	\$ 1,125,472	\$ 1,204,913
Restricted for Instruction	16,385	0	0	0	16,385
Restricted for Operation of Non-instructional Services	0	0	0	1,687,594	1,687,594
Restricted for Hybrid Retirement Stabilization Funds	339,610	0	0	0	339,610
Committed:					
Committed for Education	1,027,130	0	0	0	1,027,130
Committed for Capital Projects	0	0	3,541,154	0	3,541,154
Assigned:					
Assigned for Education	121,299	1,680,531	0	0	1,801,830
Unassigned	6,966,316	0	0	0	6,966,316
Total Fund Balances	<u>\$ 8,515,181</u>	<u>\$ 1,715,531</u>	<u>\$ 3,541,154</u>	<u>\$ 2,813,066</u>	<u>\$ 16,584,932</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,457,346</u>	<u>\$ 2,196,547</u>	<u>\$ 3,571,072</u>	<u>\$ 2,859,322</u>	<u>\$ 25,084,287</u>

Exhibit I-3

Hardeman County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Hardeman County School Department
June 30, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 16,584,932
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 358,116	
Add: construction in progress	591,554	
Add: buildings and improvements net of accumulated depreciation	12,307,744	
Add: other capital assets net of accumulated depreciation	<u>1,626,489</u>	14,883,903
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net OPEB liability	\$ (3,847,761)	
Less: net pension liability - agent plan	(177,135)	
Less: compensated absences payable	<u>(164,801)</u>	(4,189,697)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 7,175,147	
Less: deferred inflows of resources related to pensions	(1,265,749)	
Add: deferred outflows of resources related to OPEB	1,114,446	
Less: deferred inflows of resources related to OPEB	<u>(959,747)</u>	6,064,097
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 78,880	
Add: net pension asset - teacher legacy pension plan	<u>4,876,277</u>	4,955,157
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>820,619</u>
Net position of governmental activities (Exhibit A)		<u>\$ 39,119,011</u>

Exhibit I-4

Hardeman County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 9,679,032	\$ 0	\$ 0	\$ 0	\$ 9,679,032
Licenses and Permits	1,957	0	0	0	1,957
Charges for Current Services	14,803	0	0	148,440	163,243
Other Local Revenues	238,423	0	0	1,099,525	1,337,948
State of Tennessee	23,255,542	0	0	17,429	23,272,971
Federal Government	120,528	9,410,313	0	2,313,859	11,844,700
Total Revenues	\$ 33,310,285	\$ 9,410,313	\$ 0	\$ 3,579,253	\$ 46,299,851
<u>Expenditures</u>					
Current:					
Instruction	\$ 16,956,302	\$ 4,921,879	\$ 0	\$ 0	\$ 21,878,181
Support Services	12,043,923	2,082,383	0	0	14,126,306
Operation of Non-Instructional Services	1,040,958	238,829	0	3,494,263	4,774,050
Capital Outlay	538,515	1,818,416	458,846	0	2,815,777
Debt Service:					
Other Debt Service	683,840	0	0	0	683,840
Total Expenditures	\$ 31,263,538	\$ 9,061,507	\$ 458,846	\$ 3,494,263	\$ 44,278,154
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 2,046,747	\$ 348,806	\$ (458,846)	\$ 84,990	\$ 2,021,697
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 150,304	\$ 0	\$ 0	\$ 0	\$ 150,304
Transfers In	249,309	90,474	4,000,000	0	4,339,783
Transfers Out	(4,090,474)	(249,309)	0	0	(4,339,783)
Total Other Financing Sources (Uses)	\$ (3,690,861)	\$ (158,835)	\$ 4,000,000	\$ 0	\$ 150,304
Net Change in Fund Balances					
Fund Balance, July 1, 2022	\$ (1,644,114)	\$ 189,971	\$ 3,541,154	\$ 84,990	\$ 2,172,001
	10,159,295	1,525,560	0	2,728,076	14,412,931
Fund Balance, June 30, 2023	\$ 8,515,181	\$ 1,715,531	\$ 3,541,154	\$ 2,813,066	\$ 16,584,932

Exhibit I-5

Hardeman County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 2,172,001
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,572,686	
Less: current-year depreciation expense	<u>(1,717,661)</u>	(144,975)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2023	\$ 820,619	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(485,588)</u>	335,031
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net OPEB liability	\$ 308,725	
Change in deferred outflows related to OPEB	(115,591)	
Change in deferred inflows related to OPEB	(335,622)	
Change in net pension liability - agent plan	(2,258,013)	
Change in net pension asset - teacher retirement plan	(151,421)	
Change in net pension asset - teacher legacy pension plan	(12,440,698)	
Change in deferred outflows related to pensions	(887,464)	
Change in deferred inflows related to pensions	16,871,700	
Change in compensated absences payable	<u>(11,444)</u>	<u>980,172</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,342,229</u>

Exhibit I-6

Hardeman County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hardeman County School Department
June 30, 2023

	<u>Special Revenue Funds</u>		Total
	Central	Internal	Nonmajor
	Cafeteria	School	Governmental
			Funds
<u>ASSETS</u>			
Cash	\$ 12,883	\$ 1,124,807	\$ 1,137,690
Equity in Pooled Cash and Investments	1,481,431	0	1,481,431
Inventories	0	595	595
Accounts Receivable	0	70	70
Due from Other Governments	239,536	0	239,536
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 1,733,850	\$ 1,125,472	\$ 2,859,322
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,804	\$ 0	\$ 4,804
Accrued Payroll	27,174	0	27,174
Payroll Deductions Payable	90	0	90
Total Liabilities	\$ 32,068	\$ 0	\$ 32,068
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Other Deferred/Unavailable Revenue	\$ 14,188	\$ 0	\$ 14,188
Total Deferred Inflows of Resources	\$ 14,188	\$ 0	\$ 14,188
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 1,125,472	\$ 1,125,472
Restricted for Operation of Non-instructional Services	1,687,594	0	1,687,594
Total Fund Balances	\$ 1,687,594	\$ 1,125,472	\$ 2,813,066
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,733,850	\$ 1,125,472	\$ 2,859,322

Exhibit I-7

Hardeman County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 148,440	\$ 0	\$ 148,440
Other Local Revenues	106,192	993,333	1,099,525
State of Tennessee	17,429	0	17,429
Federal Government	2,313,859	0	2,313,859
Total Revenues	<u>\$ 2,585,920</u>	<u>\$ 993,333</u>	<u>\$ 3,579,253</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 2,492,812	\$ 1,001,451	\$ 3,494,263
Total Expenditures	<u>\$ 2,492,812</u>	<u>\$ 1,001,451</u>	<u>\$ 3,494,263</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 93,108</u>	<u>\$ (8,118)</u>	<u>\$ 84,990</u>
Net Change in Fund Balances	\$ 93,108	\$ (8,118)	\$ 84,990
Fund Balance, July 1, 2022	1,594,486	1,133,590	2,728,076
Fund Balance, June 30, 2023	<u>\$ 1,687,594</u>	<u>\$ 1,125,472</u>	<u>\$ 2,813,066</u>

Exhibit I-8

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hardeman County School Department
General Purpose School Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 9,679,032	\$ 0	\$ 0	\$ 9,679,032	\$ 8,517,415	\$ 8,517,415	\$ 1,161,617
Licenses and Permits	1,957	0	0	1,957	2,500	2,500	(543)
Charges for Current Services	14,803	0	0	14,803	26,365	26,365	(11,562)
Other Local Revenues	238,423	0	0	238,423	46,900	51,900	186,523
State of Tennessee	23,255,542	0	0	23,255,542	22,836,652	26,061,771	(2,806,229)
Federal Government	120,528	0	0	120,528	30,000	170,271	(49,743)
Total Revenues	\$ 33,310,285	\$ 0	\$ 0	\$ 33,310,285	\$ 31,459,832	\$ 34,830,222	\$ (1,519,937)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 13,464,691	\$ 0	\$ 0	\$ 13,464,691	\$ 14,547,594	\$ 16,289,782	\$ 2,825,091
Alternative Instruction Program	226,546	0	0	226,546	254,458	254,458	27,912
Special Education Program	2,405,947	0	0	2,405,947	2,443,796	2,415,737	9,790
Career and Technical Education Program	859,118	0	15,681	874,799	863,225	1,487,808	613,009
<u>Support Services</u>							
Attendance	294,546	(248)	0	294,298	242,710	302,868	8,570
Health Services	215,009	0	2,061	217,070	351,368	351,368	134,298
Other Student Support	1,396,520	(80,360)	1,833	1,317,993	1,272,374	1,427,826	109,833
Regular Instruction Program	1,177,181	(4,000)	298	1,173,479	1,185,076	1,722,247	548,768
Special Education Program	550,012	0	3,118	553,130	526,224	555,238	2,108
Career and Technical Education Program	86,760	0	0	86,760	111,347	111,347	24,587
Technology	571,945	(2,160)	0	569,785	623,536	809,039	239,254
Other Programs	111,252	0	0	111,252	0	111,252	0
Board of Education	489,558	(500)	0	489,058	490,255	530,255	41,197
Director of Schools	413,466	0	2,736	416,202	427,234	503,379	87,177
Office of the Principal	1,974,021	0	0	1,974,021	1,991,844	2,056,788	82,767
Fiscal Services	183,560	0	0	183,560	188,574	188,574	5,014
Human Services/Personnel	162,880	0	0	162,880	164,219	164,219	1,339
Operation of Plant	1,925,250	0	0	1,925,250	1,992,346	1,992,346	67,096

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 893,254	\$ (31,747)	\$ 29,645	\$ 891,152	\$ 853,920	\$ 898,452	\$ 7,300
Transportation	1,598,709	(309)	0	1,598,400	1,614,028	1,677,817	79,417
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,040,958	0	0	1,040,958	1,042,797	1,042,532	1,574
<u>Capital Outlay</u>							
Regular Capital Outlay	538,515	0	65,927	604,442	1,000,000	1,000,000	395,558
<u>Principal on Debt</u>							
Education	0	0	0	0	635,000	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	63,413	0	0
<u>Other Debt Service</u>							
Education	683,840	0	0	683,840	0	698,413	14,573
Total Expenditures	\$ 31,263,538	\$ (119,324)	\$ 121,299	\$ 31,265,513	\$ 32,885,338	\$ 36,591,745	\$ 5,326,232
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 2,046,747	\$ 119,324	\$ (121,299)	\$ 2,044,772	\$ (1,425,506)	\$ (1,761,523)	\$ 3,806,295
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 150,304	\$ 0	\$ 0	\$ 150,304	\$ 0	\$ 76,145	\$ 74,159
Transfers In	249,309	0	0	249,309	561,600	561,600	(312,291)
Transfers Out	(4,090,474)	0	0	(4,090,474)	0	(4,157,000)	66,526
Total Other Financing Sources	\$ (3,690,861)	\$ 0	\$ 0	\$ (3,690,861)	\$ 561,600	\$ (3,519,255)	\$ (171,606)
Net Change in Fund Balance							
Fund Balance, July 1, 2022	\$ (1,644,114)	\$ 119,324	\$ (121,299)	\$ (1,646,089)	\$ (863,906)	\$ (5,280,778)	\$ 3,634,689
	10,159,295	(119,324)	0	10,039,971	12,645,319	12,645,319	(2,605,348)
Fund Balance, June 30, 2023							
	\$ 8,515,181	\$ 0	\$ (121,299)	\$ 8,393,882	\$ 11,781,413	\$ 7,364,541	\$ 1,029,341

Exhibit I-9

Hardeman County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Hardeman County School Department
 School Federal Projects Fund
 For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 9,410,313	\$ 0	\$ 0	\$ 9,410,313	\$ 15,999,305	\$ 16,679,809	\$ (7,269,496)
Total Revenues	\$ 9,410,313	\$ 0	\$ 0	\$ 9,410,313	\$ 15,999,305	\$ 16,679,809	\$ (7,269,496)
Expenditures							
Instruction							
Regular Instruction Program	\$ 2,514,471	\$ (91,000)	\$ 250,944	\$ 2,674,415	\$ 4,944,114	\$ 4,432,713	\$ 1,758,298
Alternative Instruction Program	0	0	0	0	0	1,163	1,163
Special Education Program	904,185	0	3,078	907,263	1,001,510	1,266,844	359,581
Career and Technical Education Program	1,503,223	0	0	1,503,223	1,609,208	1,619,708	116,485
Support Services							
Attendance	0	0	0	0	54,195	31,138	31,138
Health Services	442,780	0	0	442,780	622,883	622,442	179,662
Other Student Support	236,760	(840)	350	236,270	309,677	479,596	243,326
Regular Instruction Program	670,454	0	0	670,454	1,136,395	1,276,097	605,643
Special Education Program	225,231	0	0	225,231	261,751	356,611	131,380
Career and Technical Education Program	160,382	0	0	160,382	137,512	161,545	1,163
Technology	43,919	0	0	43,919	220,871	214,946	171,027
Director of Schools	0	0	0	0	0	2,352	2,352
Office of the Principal	0	0	0	0	106,101	87,400	87,400
Fiscal Services	1,500	0	0	1,500	0	58,577	57,077
Human Services/Personnel	0	0	0	0	35,220	10,566	10,566
Maintenance of Plant	31,269	0	0	31,269	60,473	83,323	52,054
Transportation	270,088	(68,104)	404,250	606,234	437,237	856,950	250,716
Operation of Non-Instructional Services							
Food Service	0	0	0	0	0	53,482	53,482
Community Services	238,829	0	0	238,829	308,851	309,737	70,908
Early Childhood Education	0	0	0	0	0	10,470	10,470

(Continued)

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Capital Outlay</u>							
Regular Capital Outlay	\$ 1,818,416	\$ (652,272)	\$ 218,821	\$ 1,384,965	\$ 4,217,808	\$ 4,211,172	\$ 2,826,207
Total Expenditures	\$ 9,061,507	\$ (812,216)	\$ 877,443	\$ 9,126,734	\$ 15,463,806	\$ 16,146,832	\$ 7,020,098
Excess (Deficiency) of Revenues Over Expenditures	\$ 348,806	\$ 812,216	\$ (877,443)	\$ 283,579	\$ 535,499	\$ 532,977	\$ (249,398)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 90,474	\$ 0	\$ 0	\$ 90,474	\$ 110,842	\$ 110,842	\$ (20,368)
Transfers Out	(249,309)	0	0	(249,309)	(646,339)	(643,817)	394,508
Total Other Financing Sources	\$ (158,835)	\$ 0	\$ 0	\$ (158,835)	\$ (535,497)	\$ (532,975)	\$ 374,140
Net Change in Fund Balance	\$ 189,971	\$ 812,216	\$ (877,443)	\$ 124,744	\$ 2	\$ 2	\$ 124,742
Fund Balance, July 1, 2022	1,525,560	(812,216)	0	713,344	1,525,560	1,525,560	(812,216)
Fund Balance, June 30, 2023	\$ 1,715,531	\$ 0	\$ (877,443)	\$ 838,088	\$ 1,525,562	\$ 1,525,562	\$ (687,474)

Exhibit I-10

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hardeman County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 148,440	\$ 0	\$ 148,440	\$ 197,440	\$ 197,440	\$ (49,000)
Other Local Revenues	106,192	0	106,192	4,500	4,500	101,692
State of Tennessee	17,429	0	17,429	22,000	22,000	(4,571)
Federal Government	2,313,859	0	2,313,859	2,201,611	2,216,611	97,248
Total Revenues	\$ 2,585,920	\$ 0	\$ 2,585,920	\$ 2,425,551	\$ 2,440,551	\$ 145,369
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,492,812	\$ (62,175)	\$ 2,430,637	\$ 2,551,074	\$ 2,566,074	\$ 135,437
Total Expenditures	\$ 2,492,812	\$ (62,175)	\$ 2,430,637	\$ 2,551,074	\$ 2,566,074	\$ 135,437
Excess (Deficiency) of Revenues Over Expenditures	\$ 93,108	\$ 62,175	\$ 155,283	\$ (125,523)	\$ (125,523)	\$ 280,806
Net Change in Fund Balance	\$ 93,108	\$ 62,175	\$ 155,283	\$ (125,523)	\$ (125,523)	\$ 280,806
Fund Balance, July 1, 2022	1,594,486	(62,175)	1,532,311	624,681	624,681	907,630
Fund Balance, June 30, 2023	\$ 1,687,594	\$ 0	\$ 1,687,594	\$ 499,158	\$ 499,158	\$ 1,188,436

Exhibit I-11

Hardeman County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hardeman County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Capital Outlay</u>				
Regular Capital Outlay	\$ 458,846	\$ 4,000,000	\$ 4,000,000	\$ 3,541,154
Total Expenditures	\$ 458,846	\$ 4,000,000	\$ 4,000,000	\$ 3,541,154
Excess (Deficiency) of Revenues Over Expenditures	\$ (458,846)	\$ (4,000,000)	\$ (4,000,000)	\$ 3,541,154
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0
Total Other Financing Sources	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0
Net Change in Fund Balance	\$ 3,541,154	\$ 0	\$ 0	\$ 3,541,154
Fund Balance, July 1, 2022	0	0	0	0
Fund Balance, June 30, 2023	\$ 3,541,154	\$ 0	\$ 0	\$ 3,541,154

MISCELLANEOUS SCHEDULES

Exhibit J-1

Hardeman County, Tennessee
Schedule of Changes in Long-term Note and Bonds
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
GOVERNMENTAL ACTIVITIES							
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation School Bonds, Series 2013	\$ 2,815,000	2 to 3 %	6-12-13	4-1-30	\$ 1,125,000	\$ 170,000	\$ 955,000
General Obligation Refunding Bonds, Series 2015	3,940,000	2	4-1-15	4-1-24	935,000	465,000	470,000
General Obligation Refunding Bonds, Series 2016	8,820,000	2 to 2.75	8-22-16	6-1-35	7,080,000	420,000	6,660,000
General Obligation Refunding Bonds, Series 2017	9,040,000	3.25 to 5	6-9-17	6-1-43	8,660,000	25,000	8,635,000
Total Bonds Payable					<u>\$ 17,800,000</u>	<u>\$ 1,080,000</u>	<u>\$ 16,720,000</u>
BUSINESS-TYPE ACTIVITIES							
<u>NOTE PAYABLE</u>							
<u>Payable through Solid Waste Disposal Fund</u>							
2021 Caterpillar Model 816-11	618,725	2.99	5-20-22	5-20-29	\$ 618,725	\$ 80,781	\$ 537,944
Total Note Payable					<u>\$ 618,725</u>	<u>\$ 80,781</u>	<u>\$ 537,944</u>

Exhibit J-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 1,105,000	\$ 490,130	\$ 1,595,130
2025	485,000	463,455	948,455
2026	860,000	453,380	1,313,380
2027	525,000	434,005	959,005
2028	925,000	423,130	1,348,130
2029	570,000	399,205	969,205
2030	640,000	386,030	1,026,030
2031	620,000	370,242	990,242
2032	635,000	354,480	989,480
2033	675,000	338,343	1,013,343
2034	710,000	321,167	1,031,167
2035	740,000	303,118	1,043,118
2036	865,000	282,567	1,147,567
2037	910,000	252,292	1,162,292
2038	945,000	221,808	1,166,808
2039	1,010,000	189,678	1,199,678
2040	1,045,000	155,337	1,200,337
2041	1,100,000	119,808	1,219,808
2042	1,135,000	81,857	1,216,857
2043	1,220,000	42,700	1,262,700
Total	\$ 16,720,000	\$ 6,082,732	\$ 22,802,732

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Note		
	Principal	Interest	Total
2024	\$ 83,196	\$ 16,085	\$ 99,281
2025	85,684	13,597	99,281
2026	88,246	11,035	99,281
2027	90,884	8,396	99,280
2028	93,601	5,679	99,280
2029	96,333	2,880	99,213
Total	\$ 537,944	\$ 57,672	\$ 595,616

Exhibit J-3

Hardeman County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2023

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	American Rescue Plan funds	\$ 19,259
Total Primary Government			<u>\$ 19,259</u>
<u>DISCRETELY PRESENTED HARDEMAN COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Community Oriented Policing Services funds	\$ 90,474
"	Education Capital Projects	Capital outlay	4,000,000
School Federal Projects	General Purpose School	Indirect costs	<u>249,309</u>
Total Transfers Discretely Presented Hardeman County School Department			<u>\$ 4,339,783</u>

Hardeman County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2023

Official	Authorization	Bond	Surety
County Mayor - Jimmy Sain (7/1/22-8/31/22)	Section 8-24-102, TCA	\$ (1)	Tennessee Risk Management Trust
Base salary			
\$ 16,631			
Purchasing agent supplement			
600			
Committee member fee			
300			
Total compensation			
<u>\$ 17,531</u>			
County Mayor - Todd Pulse (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			
\$ 83,156			
Purchasing agent supplement			
3,000			
Bonus			
220			
Total compensation			
<u>\$ 86,376</u>			
Total County Mayor compensation			
<u>\$ 103,907</u>			
Highway Superintendent	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			
\$ 95,035			
Bonus			
660			
Total compensation			
<u>\$ 95,695</u>			
Director of Schools	State Board of Education a County Board of Education	(1)	Tennessee Risk Management Trust
Base salary			
\$ 119,599			
Career ladder			
1,800			
Total compensation			
<u>\$ 121,399</u>			
Trustee	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			
\$ 86,395			
Bonus			
660			
Total compensation			
<u>\$ 87,055</u>			
Assessor of Property	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			
\$ 86,395			
Bonus			
660			
Total compensation			
<u>\$ 87,055</u>			
County Clerk - Polly Morris (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			
\$ 14,399			

(Continued)

Hardeman County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hardeman County School Department (Cont.)

Official	Authorization	Bond	Surety
County Clerk - Tonet Griggs (9/1/22-6/30/23)	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 71,996		
Bonus	660		
Total compensation	<u>\$ 72,656</u>		
Total County Clerk compensation	<u>\$ 87,055</u>		
Circuit, General Sessions and Juvenile Courts Clerk - Billy Davis (7/1/22-8/31/22)	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 14,399</u>		
Circuit, General Sessions and Juvenile Courts Clerk - Eunice Gudger (9/1/22-6/30/23)			
Base salary	\$ 71,996		
Bonus	220		
Total compensation	<u>\$ 72,216</u>		
Total Circuit, General Sessions and Juvenile Courts Clerk compensation	<u>\$ 86,615</u>		
Clerk and Master - Janice Bodiford (7/1/22-8/31/22)	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 14,399</u>		
Clerk and Master - Kimberly Paras (9/1/22-6/30/23)			
Base salary	\$ 71,996		
Bonus	330		
Total compensation	<u>\$ 72,326</u>		
Total Clerk and Master compensation	<u>\$ 86,725</u>		
Register of Deeds	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 86,395		
Bonus	660		
Total compensation	<u>\$ 87,055</u>		
Sheriff	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,035		
Bonus	660		
Law enforcement training supplement	800		
Total compensation	<u>\$ 96,495</u>		
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department		400,000	"

(1) Official is under the employee fidelity insurance coverage.

Exhibit J-5

Hardeman County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2023

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,845,519	\$ 0	\$ 0	\$ 0	\$ 304,604	\$ 4,150,123
Trustee's Collections - Prior Year	102,635	0	0	0	8,999	111,634
Trustee's Collections - Bankruptcy	11,885	0	0	0	0	11,885
Circuit Clerk/Clerk and Master Collections - Prior Years	72,480	0	0	0	5,741	78,221
Interest and Penalty	23,041	0	0	0	1,711	24,752
Payments in-Lieu-of Taxes - Other	223,175	0	0	0	4,339	227,514
<u>County Local Option Taxes</u>						
Local Option Sales Tax	435,719	0	0	0	0	435,719
Hotel/Motel Tax	45,670	0	0	0	0	45,670
Wheel Tax	0	0	0	814,553	814,553	1,629,106
Litigation Tax - General	66,409	0	0	0	0	66,409
Litigation Tax - Jail, Workhouse, or Courthouse	53,676	0	0	0	0	53,676
Business Tax	296,808	0	0	0	0	296,808
<u>Statutory Local Taxes</u>						
Bank Excise Tax	115,911	0	0	0	0	115,911
Wholesale Beer Tax	65,881	0	0	0	0	65,881
Total Local Taxes	\$ 5,358,809	\$ 0	\$ 0	\$ 814,553	\$ 1,139,947	\$ 7,313,309
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 3,245	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,245
Cable TV Franchise	9,071	0	0	0	0	9,071
<u>Permits</u>						
Beer Permits	1,639	0	0	0	0	1,639
Building Permits	23,100	0	0	0	0	23,100

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Other Permits	\$ 3,693	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,693
Total Licenses and Permits	\$ 40,748	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,748
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 28,305	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,305
Officers Costs	10,435	0	0	0	0	10,435
Drug Control Fines	37,135	36,616	0	0	0	73,751
Jail Fees	1,415	0	0	0	0	1,415
DUI Treatment Fines	3,461	342	0	0	0	3,803
Data Entry Fee - Circuit Court	1,039	0	0	0	0	1,039
Courtroom Security Fee	2,837	0	0	0	0	2,837
Victims Assistance Assessments	998	0	0	0	0	998
<u>Criminal Court</u>						
DUI Treatment Fines	760	0	0	0	0	760
<u>General Sessions Court</u>						
Fines	19,097	0	0	0	0	19,097
Fines for Littering	450	0	0	0	0	450
Officers Costs	42,175	0	0	0	0	42,175
Game and Fish Fines	56	0	0	0	0	56
Drug Control Fines	16,340	17,850	0	0	0	34,190
Drug Court Fees	6,649	0	0	0	0	6,649
Jail Fees	3,486	0	0	0	0	3,486
DUI Treatment Fines	212	2,077	0	0	0	2,289
Data Entry Fee - General Sessions Court	7,380	0	0	0	0	7,380

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 46,632	\$ 0	\$ 0	\$ 0	\$ 0	46,632
Victims Assistance Assessments	696	0	0	0	0	696
<u>Juvenile Court</u>						
Officers Costs	570	0	0	0	0	570
Data Entry Fee - Juvenile Court	284	0	0	0	0	284
<u>Chancery Court</u>						
Officers Costs	1,368	0	0	0	0	1,368
Data Entry Fee - Chancery Court	3,938	0	0	0	0	3,938
Courtroom Security Fee	4,220	0	0	0	0	4,220
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	43,865	0	0	0	43,865
Total Fines, Forfeitures, and Penalties	\$ 239,938	\$ 100,750	\$ 0	\$ 0	\$ 0	340,688
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 1,040,120	\$ 0	\$ 0	\$ 0	\$ 0	1,040,120
Work Release Charges for Board	594	0	0	0	0	594
<u>Fees</u>						
Airport Fees	20,585	0	0	0	0	20,585
Greenbelt Late Application Fee	450	0	0	0	0	450
Telephone Commissions	61,970	0	0	0	0	61,970
Additional Fees - Titling and Registration	11,648	0	0	0	0	11,648
Constitutional Officers' Fees and Commissions	0	0	362,204	0	0	362,204
Data Processing Fee - Register	7,152	0	0	0	0	7,152
Data Processing Fee - Sheriff	3,509	0	0	0	0	3,509

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Fund General Debt Service	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	\$ 5,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,250
Data Processing Fee - County Clerk	7,820	0	0	0	0	7,820
Vehicle Registration Reinstatement Fees	2,195	0	0	0	0	2,195
Total Charges for Current Services	\$ 1,161,293	\$ 0	\$ 362,204	\$ 0	\$ 0	\$ 1,523,497
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,080,467	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,080,467
Lease/Rentals	9,850	0	0	0	0	9,850
Commissary Sales	45,196	0	0	0	0	45,196
Sale of Gasoline	66,640	0	0	0	0	66,640
Sale of Maps	202	0	0	0	0	202
Miscellaneous Refunds	24,465	0	0	57,408	0	81,873
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	136,810	0	136,810
Sale of Property	633	0	0	0	0	633
<u>Other Local Revenues</u>						
Other Local Revenues	7,774	0	0	0	0	7,774
Total Other Local Revenues	\$ 1,235,227	\$ 0	\$ 0	\$ 194,218	\$ 0	\$ 1,429,445
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 109,116	\$ 0	\$ 0	\$ 0	\$ 0	\$ 109,116
Trustee	270,129	0	0	0	0	270,129

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	\$ 62,146	\$ 0	\$ 0	\$ 0	\$ 0	62,146
General Sessions Court Clerk	166,436	0	0	0	0	166,436
Clerk and Master	102,875	0	0	0	0	102,875
Juvenile Court Clerk	10,985	0	0	0	0	10,985
Register	96,375	0	0	0	0	96,375
Sheriff	12,155	0	0	0	0	12,155
Total Fees Received From County Officials	\$ 830,217	\$ 0	\$ 0	\$ 0	\$ 0	830,217
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	4,500
<u>Public Safety Grants</u>						
Other Public Safety Grants	84,677,017	0	0	0	0	84,677,017
<u>Health and Welfare Grants</u>						
Health Department Programs	394,094	0	0	0	0	394,094
Other Health and Welfare Grants	101,617	0	0	0	0	101,617
<u>Public Works Grants</u>						
Bridge Program	0	0	0	618,325	0	618,325
State Aid Program	0	0	0	657,331	0	657,331
Litter Program	25,009	0	0	0	0	25,009
<u>Other State Revenues</u>						
Beer Tax	19,200	0	0	0	0	19,200
Vehicle Certificate of Title Fees	7,258	0	0	0	0	7,258
Alcoholic Beverage Tax	100,722	0	0	0	0	100,722
Opioid Settlement Funds - TN Abatement Council	104,549	0	0	0	0	104,549

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Revenue Sharing - T.V.A.	\$ 959,845	\$ 0	\$ 0	\$ 0	\$ 0	\$ 959,845
State Revenue Sharing - Telecommunications	34,412	0	0	0	0	34,412
State Shared Sports Gaming Privilege Tax	23,053	0	0	0	0	23,053
Contracted Prisoner Boarding	313,650	0	0	0	0	313,650
Gasoline and Motor Fuel Tax	0	0	0	2,848,694	0	2,848,694
Petroleum Special Tax	0	0	0	16,871	0	16,871
Registrar's Salary Supplement	15,164	0	0	0	0	15,164
Other State Grants	370,965	0	0	0	0	370,965
Other State Revenues	35,528	0	0	0	0	35,528
Total State of Tennessee	\$ 87,186,583	\$ 0	\$ 0	\$ 4,141,221	\$ 0	\$ 91,327,804
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 78,220	\$ 0	\$ 0	\$ 0	\$ 0	\$ 78,220
Homeland Security Grants	44,008	0	0	0	0	44,008
<u>Direct Federal Revenue</u>						
American Rescue Plan Act Grant #6	3,476,817	0	0	0	0	3,476,817
Total Federal Government	\$ 3,599,045	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,599,045
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 181,311	\$ 0	\$ 0	\$ 0	\$ 683,840	\$ 865,151
<u>Other</u>						
Other	7,933	0	0	0	0	7,933
Opioid Settlement Funds - Past Remediation	41,615	0	0	0	0	41,615
Total Other Governments and Citizens Groups	\$ 230,859	\$ 0	\$ 0	\$ 0	\$ 683,840	\$ 914,699
Total	\$ 99,882,719	\$ 100,750	\$ 362,204	\$ 5,149,992	\$ 1,823,787	\$ 107,319,452

Exhibit J-6

Hardeman County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,558,905	\$ 0	\$ 0	\$ 0	\$ 5,558,905	
Trustee's Collections - Prior Year	185,172	0	0	0	185,172	
Circuit Clerk/Clerk and Master Collections - Prior Years	96,425	0	0	0	96,425	
Interest and Penalty	33,298	0	0	0	33,298	
Payments in-Lieu-of Taxes - Other	86,527	0	0	0	86,527	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,706,995	0	0	0	3,706,995	
Mixed Drink Tax	11,336	0	0	0	11,336	
Other County Local Option Taxes	374	0	0	0	374	
Total Local Taxes	\$ 9,679,032	\$ 0	\$ 0	\$ 0	\$ 9,679,032	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,957	\$ 0	\$ 0	\$ 0	\$ 1,957	
Total Licenses and Permits	\$ 1,957	\$ 0	\$ 0	\$ 0	\$ 1,957	
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 1,687	\$ 0	\$ 0	\$ 0	\$ 1,687	
<u>Fees</u>						
Vending Machine Collections	249	0	0	0	249	
<u>Education Charges</u>						
Lunch Payments - Adults	0	0	27,097	0	27,097	
Income from Breakfast	0	0	3,583	0	3,583	

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la Carte Sales	\$ 0	\$ 0	\$ 117,760	\$ 0	\$ 117,760
Receipts from Individual Schools	661	0	0	0	661
Other Charges for Services	12,206	0	0	0	12,206
Total Charges for Current Services	<u>\$ 14,803</u>	<u>\$ 0</u>	<u>\$ 148,440</u>	<u>\$ 0</u>	<u>\$ 163,243</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 20,279	\$ 0	\$ 94,845	\$ 0	\$ 115,124
Lease/Rentals/PPP	76,811	0	0	0	76,811
Retirees' Insurance Payments	45,915	0	0	0	45,915
Miscellaneous Refunds	53,622	0	11,347	0	64,969
Expenditure Credits	6,187	0	0	0	6,187
<u>Other Local Revenues</u>					
Other Local Revenues	35,609	0	0	993,333	1,028,942
Total Other Local Revenues	<u>\$ 238,423</u>	<u>\$ 0</u>	<u>\$ 106,192</u>	<u>\$ 993,333</u>	<u>\$ 1,337,948</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 111,252	\$ 0	\$ 0	\$ 0	\$ 111,252
<u>State Education Funds</u>					
Basic Education Program	21,513,644	0	0	0	21,513,644
Early Childhood Education	1,042,532	0	0	0	1,042,532
School Food Service	0	0	17,429	0	17,429
Driver Education	9,037	0	0	0	9,037

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 232,706	\$ 0	\$ 0	\$ 0	\$ 232,706
Coordinated School Health	100,750	0	0	0	100,750
Career Ladder Program	59,486	0	0	0	59,486
Other Vocational	8,323	0	0	0	8,323
<u>Other State Revenues</u>					
Other State Grants	99,312	0	0	0	99,312
Safe Schools	78,500	0	0	0	78,500
Total State of Tennessee	<u>\$ 23,255,542</u>	<u>\$ 0</u>	<u>\$ 17,429</u>	<u>\$ 0</u>	<u>\$ 23,272,971</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,444,281	\$ 0	\$ 1,444,281
USDA - Commodities	0	0	192,705	0	192,705
Breakfast	0	0	548,923	0	548,923
USDA - Other	0	0	127,950	0	127,950
Vocational Education - Basic Grants to States	0	94,634	0	0	94,634
Title I Grants to Local Education Agencies	0	977,743	0	0	977,743
Special Education - Grants to States	42,228	1,155,463	0	0	1,197,691
Special Education Preschool Grants	0	46,447	0	0	46,447
Rural Education	0	117,439	0	0	117,439
21st Century Community Learning Centers	0	245,142	0	0	245,142
Eisenhower Professional Development State Grants	0	117,742	0	0	117,742
COVID-19 Grant B	0	2,186,724	0	0	2,186,724
COVID-19 Grant D	0	40,000	0	0	40,000

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant E	\$ 0	\$ 1,591,087	\$ 0	\$ 0	\$ 1,591,087
American Rescue Plan Act Grant #1	0	1,938,568	0	0	1,938,568
American Rescue Plan Act Grant #2	0	122,306	0	0	122,306
American Rescue Plan Act Grant #3	0	12,694	0	0	12,694
Other Federal through State	78,300	492,902	0	0	571,202
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	271,422	0	0	271,422
Total Federal Government	<u>\$ 120,528</u>	<u>\$ 9,410,313</u>	<u>\$ 2,313,859</u>	<u>\$ 0</u>	<u>\$ 11,844,700</u>
Total	<u>\$ 33,310,285</u>	<u>\$ 9,410,313</u>	<u>\$ 2,585,920</u>	<u>\$ 993,333</u>	<u>\$ 46,299,851</u>

Hardeman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	31,850	
Social Security		1,758	
Employer Medicare		411	
Travel		1,433	
Other Charges		6,266	
Total County Commission			\$ 41,718

Board of Equalization

Board and Committee Members Fees	\$	1,150	
Total Board of Equalization			1,150

Beer Board

Board and Committee Members Fees	\$	1,050	
Social Security		34	
Employer Medicare		8	
Total Beer Board			1,092

Budget and Finance Committee

Board and Committee Members Fees	\$	2,050	
Social Security		102	
Employer Medicare		24	
Total Budget and Finance Committee			2,176

Other Boards and Committees

Board and Committee Members Fees	\$	4,450	
Social Security		220	
Employer Medicare		52	
Total Other Boards and Committees			4,722

County Mayor/Executive

County Official/Administrative Officer	\$	99,787	
Secretary(ies)		64,784	
Part-time Personnel		15,827	
Educational Incentive - Other County Employees		1,500	
Social Security		10,423	
Pensions		14,513	
Employee and Dependent Insurance		18,042	
Unemployment Compensation		112	
Employer Medicare		2,438	
Communication		4,911	
Maintenance and Repair Services - Office Equipment		1,994	
Postal Charges		2,098	
Travel		2,942	
Office Supplies		4,454	
Other Supplies and Materials		916	
Other Charges		677	
Office Equipment		9,807	
Total County Mayor/Executive			255,225

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Legal Services	\$ 314,750	
Total County Attorney		\$ 314,750

Election Commission

County Official/Administrative Officer	\$ 77,756	
Clerical Personnel	28,439	
Other Salaries and Wages	1,010	
Board and Committee Members Fees	4,400	
Election Workers	41,850	
Social Security	6,617	
Pensions	11,993	
Employee and Dependent Insurance	7,718	
Unemployment Compensation	42	
Employer Medicare	1,548	
Communication	1,849	
Legal Notices, Recording, and Court Costs	2,950	
Postal Charges	1,150	
Printing, Stationery, and Forms	4,164	
Rentals	16,713	
Travel	100	
Other Contracted Services	18,744	
Custodial Supplies	420	
Office Supplies	1,978	
Utilities	4,100	
Office Equipment	287,876	
Total Election Commission		521,417

Register of Deeds

County Official/Administrative Officer	\$ 86,395	
Deputy(ies)	42,398	
Part-time Personnel	12,369	
Educational Incentive - Other County Employees	1,700	
Social Security	8,795	
Pensions	14,425	
Employee and Dependent Insurance	15,576	
Unemployment Compensation	54	
Employer Medicare	2,057	
Communication	2,693	
Data Processing Services	7,083	
Dues and Memberships	210	
Maintenance Agreements	772	
Postal Charges	51	
Travel	3,496	
Office Supplies	1,247	
Office Equipment	61	
Total Register of Deeds		199,382

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Development

County Official/Administrative Officer	\$	37,048	
Other Salaries and Wages		14,147	
Social Security		3,172	
Pensions		2,936	
Employee and Dependent Insurance		4,616	
Unemployment Compensation		65	
Employer Medicare		742	
Communication		1,944	
Contracts with Government Agencies		13,626	
Rentals		950	
Travel		338	
Office Supplies		517	
Other Charges		1,606	
Office Equipment		209	
Total Development			\$ 81,916

County Buildings

Supervisor/Director	\$	37,742	
Custodial Personnel		17,768	
Social Security		3,438	
Pensions		4,227	
Employee and Dependent Insurance		7,912	
Unemployment Compensation		54	
Employer Medicare		804	
Communication		1,954	
Maintenance and Repair Services - Buildings		92,996	
Maintenance and Repair Services - Equipment		15,141	
Maintenance and Repair Services - Vehicles		510	
Other Contracted Services		8,838	
Custodial Supplies		1,858	
Gasoline		3,089	
Office Supplies		62	
Uniforms		940	
Utilities		49,197	
Other Supplies and Materials		1,020	
Other Charges		19,455	
Building Improvements		7,855	
Total County Buildings			274,860

Other Facilities

Supervisor/Director	\$	22,506	
Social Security		1,395	
Pensions		2,521	
Employee and Dependent Insurance		7,912	
Unemployment Compensation		21	
Employer Medicare		326	
Communication		553	
Maintenance and Repair Services - Equipment		13	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Maintenance and Repair Services - Vehicles	\$	113	
Garage Supplies		488	
Gasoline		2,298	
Lubricants		370	
Tires and Tubes		1,859	
Uniforms		974	
Other Supplies and Materials		486	
Total Other Facilities			\$ 41,835

Other General Administration

Land	\$	3,966	
Total Other General Administration			3,966

Preservation of Records

Communication	\$	1,397	
Maintenance and Repair Services - Buildings		7	
Utilities		3,574	
Total Preservation of Records			4,978

Finance

Accounting and Budgeting

Accountants/Bookkeepers	\$	20,229	
Social Security		748	
Unemployment Compensation		7	
Employer Medicare		175	
Total Accounting and Budgeting			21,159

Purchasing

County Official/Administrative Officer	\$	3,600	
Social Security		223	
Pensions		403	
Unemployment Compensation		9	
Employer Medicare		52	
Total Purchasing			4,287

Property Assessor's Office

County Official/Administrative Officer	\$	86,395	
Educational Incentive - Other County Employees		2,550	
Social Security		5,010	
Pensions		9,676	
Employee and Dependent Insurance		7,912	
Employer Medicare		1,172	
Communication		2,496	
Data Processing Services		14,403	
Dues and Memberships		1,715	
Postal Charges		236	
Travel		2,328	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Contracted Services	\$	14,100	
Office Supplies		1,001	
Other Supplies and Materials		703	
Other Charges		50	
Total Property Assessor's Office			\$ 149,747

Reappraisal Program

Deputy(ies)	\$	86,964	
Part-time Personnel		17,396	
Social Security		6,399	
Pensions		9,740	
Employee and Dependent Insurance		23,735	
Unemployment Compensation		115	
Employer Medicare		1,496	
Advertising		937	
Data Processing Services		3,931	
Legal Services		1,035	
Maintenance and Repair Services - Vehicles		727	
Postal Charges		10,150	
Travel		337	
Gasoline		2,401	
Other Supplies and Materials		493	
Total Reappraisal Program			165,856

County Trustee's Office

Educational Incentive - Other County Employees	\$	100	
Social Security		9,120	
Pensions		11,666	
Employee and Dependent Insurance		13,186	
Unemployment Compensation		78	
Employer Medicare		2,133	
Communication		2,226	
Maintenance and Repair Services - Office Equipment		102	
Postal Charges		7,423	
Travel		102	
Other Contracted Services		5,466	
Office Supplies		2,173	
Total County Trustee's Office			53,775

County Clerk's Office

Educational Incentive - Other County Employees	\$	3,000	
Social Security		13,189	
Pensions		21,172	
Employee and Dependent Insurance		44,598	
Unemployment Compensation		173	
Employer Medicare		3,153	
Communication		3,105	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	10,833	
Postal Charges		4,079	
Office Supplies		3,092	
Other Supplies and Materials		285	
Office Equipment		8,500	
Total County Clerk's Office			\$ 115,179

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	86,395	
Deputy(ies)		53,795	
Clerical Personnel		123,676	
Part-time Personnel		5,265	
Educational Incentive - Other County Employees		1,500	
Jury and Witness Expense		6,168	
Other Per Diem and Fees		182	
Social Security		16,306	
Pensions		23,767	
Employee and Dependent Insurance		51,380	
Unemployment Compensation		195	
Employer Medicare		3,814	
Communication		759	
Dues and Memberships		185	
Postal Charges		2,394	
Travel		1,166	
Office Supplies		6,544	
Data Processing Equipment		150	
Office Equipment		4,029	
Total Circuit Court			387,670

General Sessions Court

Judge(s)	\$	124,564	
Social Security		7,652	
Pensions		13,951	
Employee and Dependent Insurance		7,850	
Employer Medicare		1,790	
Dues and Memberships		255	
Travel		1,182	
Total General Sessions Court			157,244

Chancery Court

County Official/Administrative Officer	\$	86,395	
Deputy(ies)		97,472	
Part-time Personnel		7,662	
Educational Incentive - Other County Employees		5,100	
Social Security		11,876	
Pensions		19,647	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Employee and Dependent Insurance	\$	31,619	
Unemployment Compensation		91	
Employer Medicare		2,839	
Communication		2,371	
Dues and Memberships		185	
Legal Notices, Recording, and Court Costs		3,044	
Postal Charges		3,734	
Travel		1,097	
Office Supplies		4,607	
Office Equipment		1,346	
Total Chancery Court			\$ 279,085

Juvenile Court

Other Salaries and Wages	\$	61,727	
Social Security		3,827	
Pensions		2,120	
Employee and Dependent Insurance		5,603	
Unemployment Compensation		63	
Employer Medicare		895	
Communication		514	
Contracts with Government Agencies		2,800	
Travel		3,088	
Drug Treatment		625	
Office Supplies		222	
Office Equipment		250	
Total Juvenile Court			81,734

Courtroom Security

Deputy(ies)	\$	78,605	
Social Security		4,347	
Pensions		8,804	
Employee and Dependent Insurance		15,797	
Unemployment Compensation		37	
Employer Medicare		1,017	
Office Supplies		94	
Total Courtroom Security			108,701

Victim Assistance Programs

Other Per Diem and Fees	\$	1,610	
Total Victim Assistance Programs			1,610

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	95,035	
Assistant(s)		56,098	
Deputy(ies)		736,612	
Investigator(s)		162,590	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Salary Supplements	\$	20,800	
Secretary(ies)		93,971	
Part-time Personnel		9,795	
Overtime Pay		103,135	
In-service Training		9,516	
Social Security		78,662	
Pensions		127,610	
Employee and Dependent Insurance		196,071	
Unemployment Compensation		734	
Employer Medicare		18,397	
Communication		37,038	
Dues and Memberships		2,000	
Maintenance and Repair Services - Vehicles		49,737	
Medical and Dental Services		9,633	
Postal Charges		1,835	
Travel		8,847	
Other Contracted Services		3,771	
Gasoline		179,331	
Office Supplies		3,784	
Uniforms		3,318	
Other Charges		2,049	
Communication Equipment		2,152	
Data Processing Equipment		110	
Law Enforcement Equipment		3,556	
Office Equipment		13,679	
Other Equipment		996	
Total Sheriff's Department			\$ 2,030,862

Special Patrols

Deputy(ies)	\$	198,871	
Social Security		12,207	
Pensions		22,299	
Employee and Dependent Insurance		38,573	
Unemployment Compensation		97	
Employer Medicare		2,855	
Total Special Patrols			274,902

Workhouse

Medical Personnel	\$	74,326	
Guards		695,835	
Maintenance Personnel		35,007	
Overtime Pay		32,759	
Social Security		51,693	
Pensions		61,966	
Employee and Dependent Insurance		133,476	
Unemployment Compensation		932	
Employer Medicare		12,089	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Communication	\$	2,273	
Maintenance and Repair Services - Buildings		11,668	
Maintenance and Repair Services - Equipment		9,652	
Medical and Dental Services		33,536	
Other Contracted Services		8,890	
Custodial Supplies		22,822	
Drugs and Medical Supplies		17,317	
Electricity		251,222	
Food Preparation Supplies		17	
Food Supplies		188,581	
Other Supplies and Materials		407	
In Service/Staff Development		1,595	
Other Charges		113,552	
Building Improvements		69,951	
Communication Equipment		312	
Office Equipment		2,434	
Total Workhouse			\$ 1,832,312

Juvenile Services

Supervisor/Director	\$	36,771	
Social Security		2,262	
Pensions		4,118	
Employee and Dependent Insurance		7,912	
Unemployment Compensation		21	
Employer Medicare		529	
Maintenance and Repair Services - Office Equipment		852	
Postal Charges		122	
Office Supplies		51	
Total Juvenile Services			52,638

Fire Prevention and Control

Contracts with Government Agencies	\$	86,030	
Total Fire Prevention and Control			86,030

Rural Fire Protection

Maintenance and Repair Services - Vehicles	\$	1,116	
Gasoline		537	
Total Rural Fire Protection			1,653

Civil Defense

Supervisor/Director	\$	5,800	
Part-time Personnel		1,800	
Social Security		471	
Unemployment Compensation		23	
Employer Medicare		110	
Communication		13,182	
Gasoline		234	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Office Supplies	\$	1,017	
Other Charges		1,960	
Motor Vehicles		30,930	
Total Civil Defense			\$ 55,527

County Coroner/Medical Examiner

Other Contracted Services	\$	28,080	
Total County Coroner/Medical Examiner			28,080

Other Public Safety

Contracts with Government Agencies	\$	79,828,328	
Total Other Public Safety			79,828,328

Public Health and Welfare

Local Health Center

Communication	\$	3,348	
Janitorial Services		16,000	
Maintenance and Repair Services - Buildings		8,573	
Postal Charges		200	
Custodial Supplies		293	
Drugs and Medical Supplies		1,652	
Office Supplies		907	
Utilities		10,903	
Other Supplies and Materials		1,579	
Total Local Health Center			43,455

Rabies and Animal Control

County Official/Administrative Officer	\$	30,769	
Part-time Personnel		18,510	
Social Security		3,053	
Pensions		1,792	
Employee and Dependent Insurance		5,279	
Unemployment Compensation		98	
Employer Medicare		714	
Communication		1,296	
Maintenance and Repair Services - Buildings		1,405	
Maintenance and Repair Services - Vehicles		2,251	
Travel		518	
Animal Food and Supplies		3,023	
Drugs and Medical Supplies		727	
Food Supplies		216	
Gasoline		5,847	
Uniforms		386	
Utilities		3,310	
Other Supplies and Materials		4,428	
Other Charges		153	
Total Rabies and Animal Control			83,775

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Assistant(s)	\$	9,877	
Supervisor/Director		19,003	
Clerical Personnel		31,661	
Attendants		613,469	
Part-time Personnel		66,054	
Overtime Pay		330,432	
Social Security		65,524	
Pensions		101,598	
Employee and Dependent Insurance		107,905	
Unemployment Compensation		542	
Employer Medicare		15,324	
Communication		5,932	
Contracts with Private Agencies		138,721	
Maintenance and Repair Services - Buildings		3,595	
Maintenance and Repair Services - Equipment		5,560	
Maintenance and Repair Services - Vehicles		8,314	
Postal Charges		171	
Asphalt - Cold Mix		861	
Custodial Supplies		3,362	
Drugs and Medical Supplies		93,607	
Gasoline		56,882	
Office Supplies		1,079	
Tires and Tubes		4,443	
Uniforms		2,854	
Utilities		16,018	
Other Supplies and Materials		65	
Refunds		2,744	
In Service/Staff Development		7,486	
Other Charges		1,476	
Other Equipment		141	
Other Capital Outlay		3	
Total Ambulance/Emergency Medical Services			\$ 1,714,703

Dental Health Program

Medical Personnel	\$	38,115	
Clerical Personnel		33,725	
Social Security		4,437	
Pensions		3,777	
Employee and Dependent Insurance		7,912	
Unemployment Compensation		42	
Employer Medicare		1,038	
Travel		334	
Liability Insurance		651	
Total Dental Health Program			90,031

Sanitation Education/Information

Foremen	\$	9,476	
Laborers		200	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Social Security	\$	600	
Employee and Dependent Insurance		93	
Unemployment Compensation		27	
Employer Medicare		140	
Maintenance and Repair Services - Vehicles		3,281	
Gasoline		2,206	
Instructional Supplies and Materials		11,207	
Other Supplies and Materials		882	
Other Charges		1,050	
Total Sanitation Education/Information			\$ 29,162

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	13,500	
Other Contracted Services		89,397	
Total Libraries			102,897

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	56,342	
Social Security		3,647	
Pensions		10,004	
Employee and Dependent Insurance		4,113	
Employer Medicare		575	
Communication		4,661	
Dues and Memberships		420	
Travel		3,514	
Utilities		6,707	
Other Supplies and Materials		697	
Other Capital Outlay		2,773	
Total Agricultural Extension Service			93,453

Forest Service

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

Soil Conservation

Secretary(ies)	\$	25,386	
Social Security		1,574	
Pensions		2,843	
Employee and Dependent Insurance		7,582	
Unemployment Compensation		21	
Employer Medicare		368	
Other Contracted Services		7,232	
Other Supplies and Materials		184	
Total Soil Conservation			45,190

(Continued)

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

General Fund (Cont.)

Other Operations

Industrial Development

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

Airport

Supervisor/Director	\$ 24,826	
Part-time Personnel	11,410	
Social Security	2,243	
Pensions	2,780	
Employee and Dependent Insurance	7,912	
Unemployment Compensation	53	
Employer Medicare	525	
Communication	3,558	
Maintenance and Repair Services - Buildings	3,789	
Maintenance and Repair Services - Equipment	4,763	
Gasoline	55,720	
Office Supplies	70	
Utilities	12,665	
Other Charges	21,262	
Airport Improvement	108,800	
Total Airport		260,376

Veterans' Services

Secretary(ies)	\$ 9,560	
Social Security	593	
Unemployment Compensation	21	
Employer Medicare	139	
Communication	889	
Travel	87	
Office Supplies	61	
Office Equipment	487	
Total Veterans' Services		11,837

Contributions to Other Agencies

Dues and Memberships	\$ 22,901	
Total Contributions to Other Agencies		22,901

Employee Benefits

Employee and Dependent Insurance	\$ 17,470	
Disability Insurance	112,807	
Total Employee Benefits		130,277

American Rescue Plan Act Grant #6

Bonus Payments	\$ 83,755	
Social Security	5,193	
Unemployment Compensation	32	
Employer Medicare	1,214	
Other Charges	414,441	
Motor Vehicles	250,442	
Total American Rescue Plan Act Grant #6		755,077

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Audit Services	\$	5,347	
Contributions		32,000	
Data Processing Services		60,688	
Dues and Memberships		7,746	
Legal Notices, Recording, and Court Costs		2,004	
Other Supplies and Materials		2,301	
Liability Insurance		213,395	
Trustee's Commission		130,960	
Other Charges		11,507	
Total Miscellaneous			\$ 465,948

Total General Fund \$ 91,356,648

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$	225	
Maintenance and Repair Services - Vehicles		468	
Towing Services		375	
Travel		610	
Instructional Supplies and Materials		3,490	
Trustee's Commission		937	
Other Charges		3,273	
Law Enforcement Equipment		11,491	
Motor Vehicles		85,922	
Other Equipment		4,208	
Total Drug Enforcement			\$ 110,999

Total Drug Control Fund 110,999

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	152,870	
Total County Trustee's Office			\$ 152,870

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	209,294	
Total County Clerk's Office			209,294

Total Constitutional Officers - Fees Fund 362,164

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	95,695	
Secretary(ies)		42,031	
Board and Committee Members Fees		5,400	
Communication		12,801	
Data Processing Services		16,474	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Dues and Memberships	\$	5,440	
Lease Payments		1,785	
Legal Services		3,580	
Legal Notices, Recording, and Court Costs		309	
Postal Charges		101	
Travel		3,382	
Other Contracted Services		3,030	
Electricity		25,844	
Office Supplies		3,445	
Other Supplies and Materials		854	
Data Processing Equipment		5,000	
Total Administration			\$ 225,171

Highway and Bridge Maintenance

Foremen	\$	350,883	
Laborers		544,576	
Part-time Personnel		18,885	
Overtime Pay		15,966	
Other Contracted Services		3,325	
Asphalt - Liquid		66,853	
Crushed Stone		81,639	
General Construction Materials		3,034	
Road Signs		13,735	
Wood Products		30,250	
Chemicals		6,400	
Other Supplies and Materials		669	
Total Highway and Bridge Maintenance			1,136,215

Operation and Maintenance of Equipment

Equipment and Machinery Parts	\$	204,401	
Garage Supplies		415	
Gasoline		154,209	
Lubricants		7,923	
Tires and Tubes		27,240	
Uniforms		10,897	
Other Supplies and Materials		1,000	
Total Operation and Maintenance of Equipment			406,085

Asphalt Plant Operations

Foremen	\$	17,688	
Other Contracted Services		415	
Asphalt - Hot Mix		117,375	
Crushed Stone		19,871	
Equipment and Machinery Parts		10,740	
Utilities	\$	52,330	
Other Supplies and Materials		1,932	
State Aid Projects		671,503	
Total Asphalt Plant Operations			\$ 891,854

(Continued)

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

<u>Other Charges</u>			
Liability Insurance	\$	63,536	
Trustee's Commission		35,751	
Vehicle and Equipment Insurance		304	
Total Other Charges			\$ 99,591
<u>Employee Benefits</u>			
Social Security	\$	66,966	
Pensions		99,991	
Employee and Dependent Insurance		187,329	
Disability Insurance		56,078	
Unemployment Compensation		5,263	
Employer Medicare		15,662	
Total Employee Benefits			431,289
<u>Capital Outlay</u>			
Bridge Construction	\$	531,299	
Building Improvements		63,370	
Communication Equipment		2,006	
Highway Equipment		471,833	
Total Capital Outlay			<u>1,068,508</u>
Total Highway/Public Works Fund			\$ 4,258,713
<u>General Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>General Government</u>			
Principal on Bonds	\$	445,000	
Total General Government			445,000
<u>Education</u>			
Principal on Bonds	\$	635,000	
Total Education			635,000
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	461,018	
Total General Government			461,018
<u>Education</u>			
Interest on Bonds	\$	48,062	
Total Education			48,062
<u>Other Debt Service</u>			
<u>General Government</u>			
Trustee's Commission	\$	13,713	
Other Debt Service		1,000	
Total General Government			14,713
<u>Education</u>			
Other Charges	\$	1,328	
Total Education			<u>1,328</u>
Total General Debt Service Fund			<u>\$ 1,605,121</u>
Total Governmental Funds - Primary Government			<u>\$ 97,693,645</u>

Exhibit J-8

Hardeman County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 9,857,420	
Career Ladder Program	46,750	
Educational Assistants	218,193	
Other Salaries and Wages	34,946	
Certified Substitute Teachers	185,679	
Non-certified Substitute Teachers	81,835	
Social Security	589,257	
Pensions	842,756	
Medical Insurance	1,152,740	
Dental Insurance	45,434	
Employer Medicare	141,073	
Other Fringe Benefits	10,859	
Other Contracted Services	29,622	
Instructional Supplies and Materials	129,115	
Textbooks - Bound	16,083	
Other Supplies and Materials	9,558	
Other Charges	38,381	
Data Processing Equipment	34,990	
Total Regular Instruction Program		\$ 13,464,691

Alternative Instruction Program

Teachers	\$ 162,556	
Educational Assistants	16,815	
Social Security	10,195	
Pensions	15,596	
Medical Insurance	17,481	
Employer Medicare	2,384	
Instructional Supplies and Materials	1,519	
Total Alternative Instruction Program		226,546

Special Education Program

Teachers	\$ 1,512,659
Homebound Teachers	7,937
Educational Assistants	91,254
Speech Pathologist	216,969
Other Salaries and Wages	23,047
Certified Substitute Teachers	3,770
Non-certified Substitute Teachers	3,252
Social Security	106,444
Pensions	160,555
Medical Insurance	196,722
Employer Medicare	25,197
Contracts with Private Agencies	18,900
Evaluation and Testing	1,376
Other Contracted Services	1,700
Instructional Supplies and Materials	27,847

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Supplies and Materials	\$	7,927	
Special Education Equipment		391	
Total Special Education Program			\$ 2,405,947

Career and Technical Education Program

Teachers	\$	322,396	
Educational Assistants		6,068	
Certified Substitute Teachers		4,822	
Non-certified Substitute Teachers		3,730	
Social Security		19,286	
Pensions		27,694	
Medical Insurance		43,793	
Employer Medicare		4,515	
Contracts with Government Agencies		276,849	
Maintenance and Repair Services - Equipment		1,511	
Other Contracted Services		2,800	
Instructional Supplies and Materials		30,468	
Textbooks - Bound		2,648	
Other Supplies and Materials		4,242	
Vocational Instruction Equipment		108,296	
Total Career and Technical Education Program			859,118

Support Services

Attendance

Supervisor/Director	\$	85,972	
Clerical Personnel		51,270	
Other Salaries and Wages		85,283	
Social Security		11,912	
Pensions		18,246	
Medical Insurance		17,783	
Employer Medicare		3,097	
Contracts with Private Agencies		15,066	
Travel		2,245	
Office Supplies		2,615	
In Service/Staff Development		1,057	
Total Attendance			294,546

Health Services

Supervisor/Director	\$	116,869
Other Salaries and Wages		20,826
Social Security		7,419
Pensions		15,422
Medical Insurance		27,748
Employer Medicare		1,735
Travel		2,454
Other Contracted Services		1,288

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Drugs and Medical Supplies	\$	1,433	
Other Supplies and Materials		7,491	
In Service/Staff Development		1,304	
Other Equipment		11,020	
Total Health Services			\$ 215,009

Other Student Support

Guidance Personnel	\$	615,101	
Psychological Personnel		66,911	
Social Workers		167,549	
Social Security		47,205	
Pensions		71,657	
Medical Insurance		84,606	
Employer Medicare		11,541	
Contracts with Government Agencies		321,384	
Evaluation and Testing		10,566	
Total Other Student Support			1,396,520

Regular Instruction Program

Supervisor/Director	\$	96,500	
Librarians		435,308	
Educational Assistants		38,491	
Other Salaries and Wages		230,196	
Social Security		43,085	
Pensions		65,494	
Medical Insurance		100,162	
Employer Medicare		10,805	
Contracts with Government Agencies		80,000	
Contracts with Private Agencies		4,000	
Travel		4,332	
Other Contracted Services		28,464	
Library Books/Media		27,755	
Other Supplies and Materials		888	
In Service/Staff Development		9,238	
Other Charges		2,463	
Total Regular Instruction Program			1,177,181

Special Education Program

Supervisor/Director	\$	220,431	
Psychological Personnel		51,341	
Assessment Personnel		26,276	
Clerical Personnel		25,080	
Social Security		14,506	
Pensions		21,411	
Medical Insurance		24,800	
Employer Medicare		4,518	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Contracts with Private Agencies	\$	80,388	
Evaluation and Testing		2,538	
Travel		8,158	
Other Contracted Services		30,075	
Other Supplies and Materials		1,062	
In Service/Staff Development		880	
Other Charges		27,953	
Other Equipment		10,595	
Total Special Education Program			\$ 550,012

Career and Technical Education Program

Supervisor/Director	\$	69,344	
Social Security		4,161	
Pensions		6,026	
Medical Insurance		5,808	
Employer Medicare		973	
Travel		448	
Total Career and Technical Education Program			86,760

Technology

Supervisor/Director	\$	90,522	
Computer Programmer(s)		119,891	
Social Security		12,113	
Pensions		22,742	
Medical Insurance		30,580	
Employer Medicare		2,833	
Laundry Service		1,926	
Maintenance and Repair Services - Equipment		90,403	
Internet Connectivity		79,320	
Travel		2,909	
Other Contracted Services		99,132	
Other Supplies and Materials		6,089	
In Service/Staff Development		8,710	
Data Processing Equipment		4,775	
Total Technology			571,945

Other Programs

On-behalf Payments to OPEB	\$	111,252	
Total Other Programs			111,252

Board of Education

Board and Committee Members Fees	\$	20,940	
Social Security		1,128	
Medical Insurance		17,808	
Unemployment Compensation		4,347	
Employer Medicare		296	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Audit Services	\$	27,240	
Dues and Memberships		6,490	
Legal Services		19,332	
Travel		15,986	
Liability Insurance		46,746	
Premiums on Corporate Surety Bonds		2,740	
Trustee's Commission		215,861	
Workers' Compensation Insurance		103,223	
In Service/Staff Development		5,025	
Other Charges		2,396	
Total Board of Education			\$ 489,558

Director of Schools

County Official/Administrative Officer	\$	119,599	
Career Ladder Program		1,800	
Clerical Personnel		8,843	
Social Security		7,588	
Pensions		11,521	
Life Insurance		14,437	
Medical Insurance		11,996	
Employer Medicare		1,775	
Communication		69,814	
Dues and Memberships		10,994	
Postal Charges		5,335	
Travel		7,173	
Other Contracted Services		52,167	
Office Supplies		2,134	
Other Supplies and Materials		733	
In Service/Staff Development		6,218	
Other Charges		51,288	
Transportation Equipment		30,051	
Total Director of Schools			413,466

Office of the Principal

Principals	\$	755,886	
Assistant Principals		401,401	
Secretary(ies)		365,114	
Clerical Personnel		14,160	
Social Security		88,695	
Pensions		140,324	
Medical Insurance		181,414	
Employer Medicare		20,672	
Other Charges		6,355	
Total Office of the Principal			1,974,021

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	82,025	
Accountants/Bookkeepers		37,097	
Social Security		6,919	
Pensions		13,342	
Medical Insurance		14,387	
Employer Medicare		1,618	
Data Processing Services		19,107	
Dues and Memberships		600	
Travel		1,214	
Data Processing Supplies		2,934	
Office Supplies		3,083	
In Service/Staff Development		1,150	
Administration Equipment		84	
Total Fiscal Services			\$ 183,560

Human Services/Personnel

Supervisor/Director	\$	65,177	
Other Salaries and Wages		40,477	
Social Security		6,172	
Pensions		11,833	
Medical Insurance		11,960	
Employer Medicare		1,444	
Dues and Memberships		150	
Licenses		19,782	
Travel		2,452	
Office Supplies		2,933	
In Service/Staff Development		500	
Total Human Services/Personnel			162,880

Operation of Plant

Janitorial Services	\$	826,816	
Disposal Fees		29,786	
Electricity		704,320	
Natural Gas		120,527	
Water and Sewer		68,576	
Boiler Insurance		5,367	
Building and Contents Insurance		169,858	
Total Operation of Plant			1,925,250

Maintenance of Plant

Supervisor/Director	\$	88,050	
Custodial Personnel		3,057	
Maintenance Personnel		237,583	
Social Security		19,320	
Pensions		35,787	
Medical Insurance		43,874	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Employer Medicare	\$	4,518	
Laundry Service		8,173	
Maintenance and Repair Services - Buildings		253,776	
Maintenance and Repair Services - Equipment		68,521	
Travel		3,982	
Other Contracted Services		46,127	
General Construction Materials		22,361	
Tires and Tubes		1,266	
Other Supplies and Materials		176	
In Service/Staff Development		400	
Other Charges		17,347	
Maintenance Equipment		10,750	
Motor Vehicles		28,186	
Total Maintenance of Plant			\$ 893,254

Transportation

Supervisor/Director	\$	42,265	
Mechanic(s)		189,554	
Bus Drivers		631,022	
Clerical Personnel		32,956	
Other Salaries and Wages		81	
In-service Training		9,660	
Social Security		43,316	
Pensions		117,904	
Medical Insurance		25,742	
Employer Medicare		12,898	
Contracts with Parents		6,215	
Laundry Service		4,183	
Maintenance and Repair Services - Vehicles		5,311	
Medical and Dental Services		8,568	
Travel		1,258	
Diesel Fuel		240,228	
Garage Supplies		13,901	
Gasoline		49,204	
Lubricants		8,489	
Tires and Tubes		18,271	
Vehicle Parts		71,951	
Other Supplies and Materials		1,498	
Vehicle and Equipment Insurance		39,725	
In Service/Staff Development		177	
Other Charges		24,332	
Total Transportation			1,598,709

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	105,126	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Teachers	\$ 516,404	
Educational Assistants	177,646	
Certified Substitute Teachers	2,690	
Non-certified Substitute Teachers	5,870	
Social Security	47,390	
Pensions	72,230	
Medical Insurance	72,118	
Employer Medicare	11,102	
Travel	814	
Instructional Supplies and Materials	19,192	
Other Supplies and Materials	1,335	
In Service/Staff Development	100	
Other Charges	7,088	
Other Equipment	1,853	
Total Early Childhood Education		\$ 1,040,958

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 538,515	
Total Regular Capital Outlay		538,515

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 683,840	
Total Education		683,840

Total General Purpose School Fund \$ 31,263,538

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 188,979	
Educational Assistants	118,428	
Other Salaries and Wages	314,145	
Social Security	25,104	
Pensions	37,847	
Medical Insurance	67,082	
Employer Medicare	8,432	
Other Contracted Services	123,209	
Instructional Supplies and Materials	385,234	
Textbooks - Bound	209,137	
Software	344,572	
Other Supplies and Materials	72,625	
Regular Instruction Equipment	619,677	
Total Regular Instruction Program		\$ 2,514,471

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Supervisor/Director	\$	54,069	
Teachers		34,570	
Educational Assistants		470,881	
Other Salaries and Wages		36,797	
Social Security		34,352	
Pensions		56,756	
Medical Insurance		89,176	
Employer Medicare		8,046	
Contracts with Private Agencies		1,575	
Other Contracted Services		4,956	
Instructional Supplies and Materials		80,065	
Other Supplies and Materials		11,920	
Other Charges		1,133	
Special Education Equipment		19,889	
Total Special Education Program	\$		904,185

Career and Technical Education Program

Teachers	\$	297,575	
Clerical Personnel		62,979	
Educational Assistants		7,553	
Social Security		20,296	
Pensions		31,858	
Medical Insurance		67,628	
Employer Medicare		4,747	
Other Contracted Services		510,241	
Instructional Supplies and Materials		81,321	
Other Supplies and Materials		4,702	
Vocational Instruction Equipment		414,323	
Total Career and Technical Education Program			1,503,223

Support Services

Health Services

Medical Personnel	\$	309,538	
Social Security		17,008	
Pensions		26,945	
Medical Insurance		59,158	
Employer Medicare		3,978	
Drugs and Medical Supplies		9,527	
Health Equipment		12,934	
Other Equipment		3,692	
Total Health Services			442,780

Other Student Support

Other Salaries and Wages	\$	94,140	
Social Security		4,268	
Pensions		5,503	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Medical Insurance	\$	7,865	
Employer Medicare		1,312	
Contracts with Government Agencies		35,000	
Travel		15,296	
Other Contracted Services		31,066	
Software		17,493	
Other Supplies and Materials		13,064	
In Service/Staff Development		5,654	
Other Equipment		6,099	
Total Other Student Support	\$		236,760

Regular Instruction Program

Supervisor/Director	\$	69,614	
Clerical Personnel		31,493	
Other Salaries and Wages		223,436	
Social Security		18,949	
Pensions		29,955	
Medical Insurance		21,813	
Employer Medicare		4,516	
Other Contracted Services		113,252	
Other Supplies and Materials		19,863	
In Service/Staff Development		41,518	
Other Charges		9,123	
Other Equipment		86,922	
Total Regular Instruction Program			670,454

Special Education Program

Other Salaries and Wages	\$	123,066	
Social Security		4,820	
Pensions		8,766	
Medical Insurance		13,358	
Employer Medicare		1,659	
Contracts with Private Agencies		1,768	
Evaluation and Testing		2,471	
Maintenance and Repair Services - Equipment		919	
Travel		8,202	
Other Supplies and Materials		5,957	
In Service/Staff Development		26,017	
Other Charges		17,191	
Other Equipment		11,037	
Total Special Education Program			225,231

Career and Technical Education Program

Supervisor/Director	\$	69,512	
Social Security		3,794	
Pensions		6,041	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Medical Insurance	\$	12,052	
Employer Medicare		887	
Travel		6,978	
In Service/Staff Development		61,118	
Total Career and Technical Education Program			\$ 160,382

Technology

Computer Programmer(s)	\$	32,000	
Social Security		1,524	
Pensions		2,091	
Medical Insurance		7,948	
Employer Medicare		356	
Total Technology			43,919

Fiscal Services

Other Contracted Services	\$	1,500	
Total Fiscal Services			1,500

Maintenance of Plant

Maintenance Personnel	\$	7,375	
Social Security		443	
Medical Insurance		497	
Employer Medicare		104	
Other Contracted Services		22,850	
Total Maintenance of Plant			31,269

Transportation

Bus Drivers	\$	98,010	
Other Salaries and Wages		33,372	
Social Security		7,316	
Pensions		10,445	
Employer Medicare		1,905	
Other Contracted Services		49,800	
Diesel Fuel		1,136	
Other Charges		42,388	
Transportation Equipment		25,716	
Total Transportation			270,088

Operation of Non-Instructional Services

Community Services

Teachers	\$	186,306	
Educational Assistants		7,842	
Other Salaries and Wages		3,644	
Social Security		12,247	
Pensions		16,991	
Employer Medicare		2,864	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Instructional Supplies and Materials	\$ 4,347	
Other Charges	4,588	
Total Community Services		\$ 238,829

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 1,818,416	
Total Regular Capital Outlay		1,818,416

Total School Federal Projects Fund \$ 9,061,507

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 70,290	
Accountants/Bookkeepers	19,001	
Cafeteria Personnel	739,330	
Social Security	47,321	
Pensions	77,405	
Life Insurance	1,073	
Medical Insurance	86,879	
Employer Medicare	11,534	
Communication	3,971	
Data Processing Services	3,825	
Dues and Memberships	656	
Maintenance and Repair Services - Equipment	14,310	
Travel	3,814	
Disposal Fees	555	
Permits	800	
Other Contracted Services	6,179	
Electricity	32,005	
Food Supplies	890,085	
Natural Gas	8,635	
Office Supplies	4,155	
Uniforms	3,537	
Water and Sewer	2,872	
USDA - Commodities	192,705	
Other Supplies and Materials	95,923	
In Service/Staff Development	843	
Other Charges	4,949	
Food Service Equipment	170,160	
Total Food Service		\$ 2,492,812

Total Central Cafeteria Fund 2,492,812

(Continued)

Exhibit J-8

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

<u>Internal School Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Community Services</u>		
Other Charges	\$ 1,001,451	
Total Community Services		\$ 1,001,451
Total Internal School Fund		\$ 1,001,451
<u>Education Capital Projects Fund</u>		
<u>Capital Outlay</u>		
<u>Regular Capital Outlay</u>		
Building Improvements	\$ 458,846	
Total Regular Capital Outlay		\$ 458,846
Total Education Capital Projects Fund		<u>458,846</u>
Total Governmental Funds - Hardeman County School Department		<u>\$ 44,278,154</u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Hardeman County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 1, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Hardeman County School Department (a discretely presented component unit), as described in our report on Hardeman County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2023-002, 2023-003(C), and 2023-007.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hardeman County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2023-001, 2023-003(A,B), 2023-004, 2023-005, and 2023-006.

Hardeman County's Responses to Findings

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

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 1, 2023

JEM/gc



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hardeman County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hardeman County's major federal programs for the year ended June 30, 2023. Hardeman County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Hardeman County complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hardeman County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hardeman County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Hardeman County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Hardeman County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardeman County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Hardeman County's basic financial statements. We issued our report thereon dated December 1, 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

December 1, 2023

JEM/gc

Hardeman County, Tennessee, and the Hardeman County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
For the Year-Ended June 30, 2023

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
National School Lunch Program	10.555	N/A	\$ 1,572,231 (6)
School Breakfast Program	10.553	N/A	548,923
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program	10.555	N/A	192,705 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-23-75937-01	16,417
Total U.S. Department of Agriculture			<u>\$ 2,330,276</u>
U.S. Department of Justice:			
Direct Grant:			
Public Safety Partnerships and Community Policing Grants	16.710	N/A	\$ 361,896
Total U.S. Department of Justice			<u>\$ 361,896</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	AERO-22-322-00	\$ 79,250
Total U.S. Department of Transportation			<u>\$ 79,250</u>
U.S. Department of the Treasury:			
Direct Grant:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	\$ 3,476,817
Total U.S. Department of the Treasury			<u>\$ 3,476,817</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Education Agencies	84.010	N/A	\$ 990,632
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,033,656 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027X	N/A	118,172 (6)
Special Education - Preschool Grants	84.173	N/A	46,447 (6)
COVID 19 - Special Education - Preschool Grants (ARP_	84.173X	N/A	12,694 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	94,634
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	153,462
Twenty-first Century Community Learning Centers	84.287	N/A	245,142
Rural Education	84.358	N/A	80,634
Supporting Effective Instruction State Grant	84.367	N/A	107,666
Comprehensive Literacy Development	84.371	N/A	174,420
Student Support and Academic Enrichment	84.424	N/A	49,829
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	41,247 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	3,745,303 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	2,003,238 (6)
Total U.S. Department of Education			<u>\$ 8,897,176</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
2018 HAVA Election Security Grants	90.404	(5)	\$ 82,498
Total U.S. Election Assistance Commission			<u>\$ 82,498</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Resilient School Communities Grant	93.354	(5)	\$ 139,549
COVID 19 - Temporary Assistance for Needy Families	93.558	(5)	78,300
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-23-75937-01	7,964
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)	93.323	Z-23-262615-02	101,617
Maternal and Child Health Services Block Grant to States	93.994	GG-23-75937-01	7,356
Total U.S. Department of Health and Human Services			<u>\$ 334,786</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Disaster Grants - Public Assistance (Presidentially Declared Disasters) Homeland Security Grant Program	97.036 97.067	(5) (5)	\$ 78,220 44,008
Total U.S. Department of Homeland Security			\$ 122,228
Total Expenditures of Federal Grants			\$ 15,684,927

State Grants		Contract Number	
GIVE Community Grant - State Board of Regents	N/A	N/A	\$ 51,545
HAVA Election Security Grants - Tennessee Secretary of State	N/A	N/A	16,503
Transition to Voting Systems - Tennessee Secretary of State	N/A	N/A	188,875
Airport Maintenance - State Department of Transportation	N/A	N/A	3,839
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	N/A	4,500
Coordinated School Health - State Department of Education	N/A	N/A	100,750
Early Childhood Education - State Department of Education	N/A	N/A	1,042,532
Innovative School Models - State Department of Education	N/A	N/A	8,323
Safe Schools - State Department of Education	N/A	N/A	78,500
School Resource Officer - State Department of Education	N/A	N/A	99,312
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	72,451
Health Department Grants - State Department of Health	N/A	GG-23-75937-01	362,357
Litter Program - State Department of Transportation	N/A	N/A	25,009
Total State Grants			\$ 2,054,496

FAL = Federal Assistance Listing
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Hardeman County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Child Nutrition Cluster total \$2,313,859; Special Education Cluster total \$1,210,969.
- (5) Information not available.
- (6) Total for FAL No. 10.555 is \$1,764,936; Total for FAL No. 84.027 is \$1,151,828; Total for FAL No. 84.173 is \$59,141; Total for FAL No. 84.425 is \$5,789,788.
- (7) CONSOLIDATED ADMINISTRATION

Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 87,878
Supporting Effective Instruction State Grant	84.367	10,077
Student Support and Academic Enrichment Program	84.424	1,008
Rural Education	84.358	1,804
Total amounts consolidated for administration purposes		\$ 100,767

Hardeman County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Hardeman County, Tennessee, for the year ended June 30, 2023.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICE OF COUNTY MAYOR

2022	192	2022-001	The office had deficiencies in purchasing procedures.	N/A	Part A. - Not Corrected - See Explanation on Corrective Action Plan Parts B. and C. - Corrected
2022	193	2022-002	Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	194	2022-003	The office had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	195	2022-004	County commissioners were not paid in compliance with state statute.	N/A	Corrected
2022	196	2022-005	The office had deficiencies in the administration of payroll and accrued leave records.	N/A	Parts A. and B. - Corrected Part C. - Not Corrected - See Explanation on Corrective Action Plan
2022	197	2022-006	A capital outlay note was not issued in compliance with state statutes.	N/A	Corrected
2022	198	2022-007	Some funds were not deposited within three days of collection at the Solid Waste and Animal Control Office.	N/A	Corrected

OFFICE OF HIGHWAY SUPERINTENDENT

2022	198	2022-008	The Highway/Public Works Fund required material audit adjustments for proper financial presentation.	N/A	Corrected
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OFFICE OF DIRECTOR OF SCHOOLS

2022	199	2022-009	The office had deficiencies in budget operations.	N/A	Part A. - Not Corrected - See Explanation on Corrective Action Plan Parts B. through D. - Corrected
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Hardeman County, Tennessee
Summary Schedule of Prior-year Findings (Cont.)

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<u>OFFICE OF TRUSTEE</u>					
2022	201	2022-010	The office had accounting deficiencies.	N/A	Not Corrected - See Explanation on Corrective Action Plan
<u>OFFICE OF SHERIFF</u>					
2022	202	2022-011	The annual financial report did not properly reflect the operations of the office.	N/A	Corrected
<u>OFFICES OF TRUSTEE AND SHERIFF</u>					
2022	202	2022-012	Duties were not segregated adequately.	N/A	Corrected

Prior-year Federal Awards Findings

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

HARDEMAN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Hardeman County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)
 - * Assistance Listing Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
 - * Assistance Listing Number: 84.425 COVID-19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2023-001 **COMPETITIVE BIDS WERE NOT SOLICITED FOR ALL APPLICABLE PURCHASES**
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 57 disbursements totaling \$9,060,267 from a population of 2,712 vendor checks totaling \$89,561,870. Our examination revealed that competitive bids were not solicited for backhoe services (\$232,379), 18 laptops (\$17,982), a CPR chest compressor and other emergency medical services equipment (\$112,473), sheriff's department vehicles (\$95,985), and signs (\$48,164). Purchasing procedures for the county are governed by Chapter 90, Private Acts of 1989, as amended, which requires competitive bids to be solicited through newspaper advertisements for all purchases exceeding \$10,000. The failure to solicit competitive bids could result in the county paying more than the most competitive price. These deficiencies are the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by Chapter 90, Private Acts of 1989, as amended.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding. Competitive bids will be solicited for applicable purchases.

FINDING 2023-002 **SOME GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund. Sound business practices dictate that these reconciliations

be performed monthly. The failure to regularly reconcile payroll deduction accounts allowed errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

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

FINDING 2023-003

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

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

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

- A. Expenditures and other uses exceeded appropriations approved by the county commission in one of 53 major appropriations categories (the legal level of control) of the General Fund and in one of six major appropriation categories of the General Debt Service Fund by \$24,964 and \$713, respectively.
- B. Salaries exceeded appropriations in two of 94 salary line-items in the General Fund by \$395 and \$832. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.
- C. Several budget amendments were posted in the General Fund that were not approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized only those budget amendments approved by the county commission in the financial statements of this report.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments,

commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding and will monitor the budget more closely. Budget amendments will be posted to the accounting records only after approval from the county commission.

FINDING 2023-004

THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF ACCRUED LEAVE RECORDS

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies related to the administration of accrued leave records. These deficiencies exist due to a lack of management oversight and the failure to comply with the state statute. These deficiencies also exist due to management's failure to correct the finding noted in the prior year audit report and management's failure to implement their corrective action plan.

- A. Hardeman County Emergency Medical Services adopted new policies and procedures on April 20, 2022, that included changes to how vacation leave is accrued. The new policies were not approved by the county commission. Section 5-23-106, *Tennessee Code Annotated (TCA)*, requires that once adopted and approved, personnel policies may be amended, modified, or repealed at any time by the same process used for the original adoption of the policies. Policies governing vacation leave for the emergency medical service were originally approved by the county commission on March 18, 2003.

- B. Accrued leave records for the county were not closed and available for audit by August 31, 2023, as required by Section 9-2-102, *TCA*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The accrued leave records were made available to auditors on October 30, 2023. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected timely.

RECOMMENDATION

Accrued leave policies should be approved properly. Management should close its accounting records, including accrued leave, for the fiscal year ended June 30 and have those records available for audit by the following August 31.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with the finding. We will work with the EMS Department on getting their policies properly approved. All accounting records will be closed and available for audit by August 31st from now on.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2023-005

AN ITEMIZED BUDGET AND SOME AMENDMENTS FOR THE GENERAL PURPOSE SCHOOL AND CENTRAL CAFETERIA FUNDS WERE NOT PRESENTED TO THE BUDGET COMMITTEE OR THE COUNTY COMMISSION
(Noncompliance Under *Government Auditing Standards*)

An itemized budget and some amendments for the General Purpose School and Central Cafeteria funds were not presented for approval to the budget committee or county commission. Section 6, Private Acts of 1937, Chapter 68, states, “That it shall, likewise, be the duty of the School Board on or before the first Monday in April for each year to prepare and file with the Budget Committee an itemized statement of budget, as specified in Section 2 of this Act, of the funds which said Board estimates will be necessary for the maintenance and operation of the schools and expenses incident thereto...” Furthermore, Section 2 states a budget containing a complete and itemized classification according to function and activity of all proposed expenditures and all revenues by sources and borrowings be presented to the budget committee. Additionally, Section 4 of the county’s budget appropriations resolution requires county commission approval of all salaries and wages. Since the budget and amendments did receive approval of the board of education, auditors did not reverse amounts that were not approved by the county commission. This deficiency exists because of management’s failure to provide sufficient oversight; management’s failure to correct the finding noted in the prior year audit report; and management’s failure to implement their corrective action plan.

RECOMMENDATION

The budget and amendments should be properly presented to the budget committee and county commission for approval.

MANAGEMENT RESPONSE – DIRECTOR OF SCHOOLS AND ASSISTANT DIRECTOR OF FINANCE AND ADMINISTRATION

The Hardeman County Board of Education will work with the budget committee and/or county commission to ensure that the budget is approved properly and timely.

FINDING 2023-006

ACCOUNTING RECORDS FOR ACCRUED LEAVE AND CAPITAL ASSETS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2023

(Noncompliance Under *Government Auditing Standards*)

Accrued leave and capital assets accounting records were not closed and available for audit by August 31, 2023, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The accrued leave and capital assets accounting records were made available to auditors on November 2, 2023, and November 10, 2023, respectively. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of accounting controls, and increases the risk that errors will not be discovered and corrected timely. This deficiency can be attributed to a lack of management oversight.

RECOMMENDATION

Management should close all accounting records, including accrued leave and capital asset accounting records, for the fiscal year ended June 30 and have those records available for audit by the following August 31.

MANAGEMENT RESPONSE – DIRECTOR OF SCHOOLS AND ASSISTANT DIRECTOR OF FINANCE AND ADMINISTRATION

We will work to ensure all accounting records are closed and available for audit by August 31st following the close of the fiscal year.

OFFICE OF TRUSTEE

FINDING 2023-007

THE OFFICE HAD ACCOUNTING DEFICIENCIES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

- A. The trustee maintains control over three separate payroll clearing bank accounts and four separate tax clearing accounts for the county mayor, highway department, and the school department that were not reflected on the general ledger. Since these accounts were not posted on the general ledger, the trustee could not adequately reconcile general ledger operations with bank account activities and bank balances. This deficiency could result in a loss of control over assets.

- B. Bank statements for six of the trustee's bank accounts posted to the accounting records were not reconciled with the general ledger accurately during the period from July 2022 through June 2023. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly to ensure errors are identified and corrected promptly. The failure to regularly reconcile the bank accounts with accounting records is a significant deficiency that increases the risks that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – TRUSTEE

I concur with the finding and have corrected these deficiencies.

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, 2023.

Hardeman County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2023-001	Competitive bids were not solicited for all applicable purchases.	195
2023-002	Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.	196
2023-003	The office had deficiencies in budget operations.	197
2023-004	The office had deficiencies in the administration of accrued leave records.	198

OFFICE OF DIRECTOR OF SCHOOLS

2023-005	An itemized budget and some amendments for the General Purpose School and Central Cafeteria funds were not presented to the budget committee or the county commission.	199
2023-006	Accounting records for accrued leave and capital assets were not closed and available for audit by August 31, 2023.	200

OFFICE OF TRUSTEE

2023-007	The office had accounting deficiencies.	201
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Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

COMPETITIVE BIDS WERE NOT SOLICITED FOR ALL APPLICABLE PURCHASES

Response and Corrective Action Plan Prepared by:

Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:

Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:

Immediate

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Parts of the prior year purchasing finding were corrected; however, the office failed to solicit competitive bids for all applicable purchases.

Planned Corrective Action:

Competitive bids will be solicited for all applicable purchases.



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Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

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

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

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

Anticipated Completion Date of Corrective Action:
June 30, 2024

Repeat Finding:
Yes

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

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



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Todd Pulse, Mayor

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:

Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:

Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:

June 30, 2024

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

The office failed to obtain budget amendments in some instances.

Planned Corrective Action:

We will monitor the budget closely to prevent expenditures from exceeding appropriations. Budget amendments will be posted to the accounting records only after approval from the county commission.



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Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN THE ADMINISTRATION OF ACCRUED LEAVE RECORDS

Response and Corrective Action Plan Prepared by:

Todd Pulse, County Mayor

Person Responsible for Implementing the Corrective Action:

Todd Pulse, County Mayor

Anticipated Completion Date of Corrective Action:

June 30, 2024

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Parts of the prior-year finding were corrected; however, we failed to obtain county commission approval for the new leave policies of the EMS Department.

Planned Corrective Action:

We will work with the EMS Department to ensure that policy changes receive the proper approval. All accounting records will be closed and available for audit by August 31st from now on.

A handwritten signature in blue ink that reads "Todd Pulse". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Signature



HARDEMAN COUNTY SCHOOLS

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

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

Corrective Action Plan

FINDING

AN ITEMIZED BUDGET AND SOME AMENDMENTS FOR THE GENERAL PURPOSE SCHOOL AND CENTRAL CAFETERIA FUNDS WERE NOT PRESENTED TO THE BUDGET COMMITTEE OR THE COUNTY COMMISSION

Response and Corrective Action Plan Prepared by:

Christy D. Smith, Ed.D. Director of Schools and Lisa Higgs, Assistant Director of Finance and Administration

Person Responsible for Implementing the Corrective Action:

Christy D. Smith, Ed.D. Director of Schools and Lisa Higgs, Assistant Director of Finance and Administration

Anticipated Completion Date of Corrective Action:

June 30, 2024

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Although improvements were made as several budget deficiencies were corrected from the prior year, we failed to correct all of the deficiencies that were noted.

Planned Corrective Action:

The Hardeman County Board of Education will work with the budget committee and/or county commission to ensure that the budget is approved properly and timely.



HARDEMAN COUNTY SCHOOLS

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

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

Corrective Action Plan

FINDING

ACCOUNTING RECORDS FOR ACCRUED LEAVE AND CAPITAL ASSETS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2023

Response and Corrective Action Plan Prepared by:

Christy D. Smith, Ed.D. Director of Schools and Lisa Higgs, Assistant Director of Finance and Administration

Person Responsible for Implementing the Corrective Action:

Christy D. Smith, Ed.D. Director of Schools and Lisa Higgs, Assistant Director of Finance and Administration

Anticipated Completion Date of Corrective Action:

August 31, 2024

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

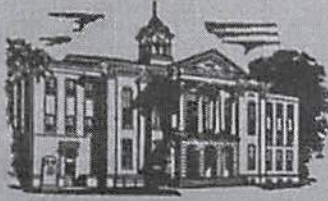
N/A

Planned Corrective Action:

We will work to ensure that all accounting records are closed and available for audit by August 31st following the close of the fiscal year.

Signature

Phone (731) 658-5541



HARDEMAN COUNTY

SANDY HAMMONS, TRUSTEE
P.O. Box 337
Bolivar, TN 38008

Corrective Action Plan

FINDING: THE HAD ACCOUNTING DEFICIENCIES

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

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

Anticipated Completion Date of Corrective Action:
August 2023

Repeat Finding:
Yes

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

Planned Corrective Action:
We did get all accounts added to the general ledger during July and August 2023 and will work to get them reconciled.

Signature: _____

Sandy Hammons

BEST PRACTICE

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

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

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

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