



ANNUAL FINANCIAL REPORT

Hardeman County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HARDEMAN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

Scope

We have audited the basic financial statements of Hardeman County as of and for the year ended June 30, 2024.

Results

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

Our audit resulted in five 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

- ◆ Expenditures exceeded appropriations in the General Fund.
- ◆ The accrued leave policy for Hardeman County Emergency Medical Service had not been properly approved.

OFFICE OF HIGHWAY SUPERINTENDENT

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



OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Several budget amendments posted in the General Purpose School Fund were not approved by the county commission.

OFFICE OF TRUSTEE

- ◆ The office had accounting deficiencies.



INTRODUCTORY SECTION

HARDEMAN COUNTY OFFICIALS

June 30, 2024

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 and General Sessions 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	Mamie Polk
Brad Grantham	Jackie Sain
Bobby Hensley	John Vickers
Joseph Jenkins	Johnny Weems
Jeff Kennamore	Bobby Wright

Board of Highway Supervisors

Mark McCrory, Chairman
Danny Davila
John Mitchell

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, 2024, 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, 2024, 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 2.2 percent, 2.4 percent, and 2.4 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2024. 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 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.

Change in Accounting Principle

As described in Note V. B., Hardeman County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 clarifies financial and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 September 4, 2024, 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

September 4, 2024

JEM/gc



BASIC FINANCIAL STATEMENTS SECTION

HARDEMAN COUNTY, TENNESSEE
Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental	Business-	Total	Hardeman County School Department
	Activities	type Activities		
ASSETS				
Cash	\$ 85,720	\$ 340	\$ 86,060	\$ 1,159,899
Equity in Pooled Cash and Investments	16,305,931	2,216,240	18,522,171	17,427,637
Accounts Receivable	2,520,439	28,901	2,549,340	27,475
Allowance for Uncollectibles	(1,502,181)	(18,785)	(1,520,966)	0
Due from Other Governments	843,779	0	843,779	3,744,933
Due from Primary Government	0	0	0	14,982
Property Taxes Receivable	5,186,021	0	5,186,021	6,946,440
Allowance for Uncollectible Property Taxes	(79,388)	0	(79,388)	(106,336)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	430,466
Net Pension Asset - Teacher Retirement Plan	0	0	0	107,160
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	4,433,949
Capital Assets:				
Assets Not Depreciated:				
Land	1,757,650	219,838	1,977,488	358,116
Construction in Progress	0	0	0	2,567,378
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	9,590,213	796,462	10,386,675	13,830,184
Infrastructure	7,842,145	0	7,842,145	0
Other Capital Assets	4,636,036	1,178,409	5,814,445	1,592,361
Total Assets	\$ 47,186,365	\$ 4,421,405	\$ 51,607,770	\$ 52,534,644

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 470,461	\$ 0	\$ 470,461	\$ 0
Pension Changes in Experience	514,364	24,915	539,279	1,471,664
Pension Changes in Investment Earnings	186,299	9,024	195,323	945,660
Pension Changes in Assumptions	797,466	38,627	836,093	2,163,560
Pension Changes in Proportion	0	0	0	411,772
Pension Contributions After Measurement Date	671,362	35,027	706,389	1,487,180
OPEB Changes in Experience	0	0	0	215,701
OPEB Changes in Assumptions	0	0	0	757,348
OPEB Changes in Proportion	0	0	0	55,764
OPEB Contributions After Measurement Date	0	0	0	151,036
Total Deferred Outflows of Resources	\$ 2,639,952	\$ 107,593	\$ 2,747,545	\$ 7,659,685

(Continued)

HARDEMAN COUNTY, TENNESSEE
Statement of Net Position (Cont.)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hardeman County School Department
LIABILITIES				
Accounts Payable	\$ 422,419	\$ 19,276	\$ 441,695	\$ 276
Accrued Payroll	1,711	0	1,711	384,722
Payroll Deductions Payable	33,259	6,383	39,642	15,953
Due to Component Unit	14,982	0	14,982	0
Due to State of Tennessee	768	0	768	0
Due to Other Governments	100,000	0	100,000	0
Accrued Interest Payable	42,222	0	42,222	0
Noncurrent Liabilities:				
Due Within One Year - Debt	485,000	85,684	570,684	0
Due Within One Year - Other	81,881	80,459	162,340	357,578
Due in More Than One Year - Debt	15,311,333	369,064	15,680,397	0
Due in More Than One Year - Other	516,287	1,807,604	2,323,891	4,294,420
Total Liabilities	<u>\$ 17,009,862</u>	<u>\$ 2,368,470</u>	<u>\$ 19,378,332</u>	<u>\$ 5,052,949</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 4,902,776	\$ 0	\$ 4,902,776	\$ 6,567,048
Pension Changes in Experience	277,356	13,434	290,790	490,288
Pension Changes in Proportion	0	0	0	28,589
OPEB Changes in Experience	0	0	0	176,088
OPEB Changes in Assumptions	0	0	0	412,945
OPEB Changes in Proportion	0	0	0	295,837
Total Deferred Inflows of Resources	<u>\$ 5,180,132</u>	<u>\$ 13,434</u>	<u>\$ 5,193,566</u>	<u>\$ 7,970,795</u>
NET POSITION				
Net Investment in Capital Assets	\$ 8,826,763	\$ 1,739,961	\$ 10,566,724	\$ 18,348,039
Restricted for:				
General Government	72,475	0	72,475	0
Finance	58,958	0	58,958	0
Administration of Justice	235,898	0	235,898	0
Public Safety	455,752	0	455,752	0
Public Health and Welfare	364,632	0	364,632	0
Highways/Public Works	217,067	0	217,067	0
Debt Service	442,301	0	442,301	0
Education	0	0	0	1,176,898
Instruction	0	0	0	11,354
Operation of Non-instructional Services	0	0	0	1,857,837
Pensions	0	0	0	4,541,109
Hybrid Retirement Stabilization Funds	0	0	0	430,466
Unrestricted	16,962,477	407,133	17,369,610	20,804,882
Total Net Position	<u>\$ 27,636,323</u>	<u>\$ 2,147,094</u>	<u>\$ 29,783,417</u>	<u>\$ 47,170,585</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, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Hardeman County School Department
					Total Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 2,757,834	\$ 318,187	\$ 187,443	\$ 80,810	\$ (2,171,394)	\$ 0	\$ (2,171,394)	\$ 0
Finance	1,141,975	799,351	0	0	(342,624)	0	(342,624)	0
Administration of Justice	1,426,835	642,354	55,842	0	(728,639)	0	(728,639)	0
Public Safety	29,152,756	696,711	19,051,031	0	(9,405,014)	0	(9,405,014)	0
Public Health and Welfare	3,132,956	2,402,007	117,283	0	(613,666)	0	(613,666)	0
Social, Cultural, and Recreational Services	118,447	0	0	0	(118,447)	0	(118,447)	0
Agriculture and Natural Resources	148,447	0	0	0	(148,447)	0	(148,447)	0
Highways/Public Works	5,030,696	0	2,893,091	437,893	(1,699,712)	0	(1,699,712)	0
Interest on Long-term Debt	483,417	0	25,093	0	(458,324)	0	(458,324)	0
Total Governmental Activities	\$ 43,393,363	\$ 4,858,610	\$ 22,329,783	\$ 518,703	\$ (15,686,267)	\$ 0	\$ (15,686,267)	\$ 0
Business-type Activities:								
Solid Waste Disposal	\$ 1,845,263	\$ 1,385,269	\$ 13,229	\$ 0	\$ 0	\$ (446,765)	\$ (446,765)	\$ 0
Total Primary Government	\$ 45,238,626	\$ 6,243,879	\$ 22,343,012	\$ 518,703	\$ (15,686,267)	\$ (446,765)	\$ (16,133,032)	\$ 0
Component Unit:								
Hardeman County School Department	\$ 44,903,263	\$ 206,282	\$ 9,830,608	\$ 3,413,589	\$ 0	\$ 0	\$ 0	\$ (31,452,784)
Total Component Unit	\$ 44,903,263	\$ 206,282	\$ 9,830,608	\$ 3,413,589	\$ 0	\$ 0	\$ 0	\$ (31,452,784)

(Continued)

Exhibit B

HARDEMAN COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Hardeman
					Total Governmental Activities	Business- type Activities	Total	County School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,402,448	\$ 0	\$ 4,402,448	\$ 6,077,104
Property Taxes Levied for Debt Service					401,339	0	401,339	0
Local Option Sales Taxes					522,961	0	522,961	3,986,243
Wheel Tax					1,515,170	0	1,515,170	0
Litigation Tax					162,354	0	162,354	0
Business Tax					303,435	0	303,435	0
Wholesale Beer Tax					66,513	0	66,513	0
Other Local Taxes					53,386	0	53,386	10,030
Grants and Contributions Not Restricted for Specific Programs					2,110,610	0	2,110,610	28,999,833
Unrestricted Investment Income					1,323,288	125,982	1,449,270	198,095
Miscellaneous					237,782	53,016	290,798	233,053
Total General Revenues					\$ 11,099,286	\$ 178,998	\$ 11,278,284	\$ 39,504,358
Change in Net Position					\$ (4,586,981)	\$ (267,767)	\$ (4,854,748)	\$ 8,051,574
Net Position, July 1, 2023					32,223,304	2,414,861	34,638,165	39,119,011
Net Position, June 30, 2024					\$ 27,636,323	\$ 2,147,094	\$ 29,783,417	\$ 47,170,585

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

HARDEMAN COUNTY, TENNESSEE

Balance Sheet

Governmental Funds

June 30, 2024

	Major Funds		Nonmajor	Total Governmental Funds
	General	Highway / Public Works	Other Govern- mental Funds	
ASSETS				
Cash	\$ 0	\$ 0	\$ 85,720	\$ 85,720
Equity in Pooled Cash and Investments	10,275,662	4,440,271	1,589,998	16,305,931
Accounts Receivable	2,520,283	0	156	2,520,439
Allowance for Uncollectibles	(1,502,181)	0	0	(1,502,181)
Due from Other Governments	333,738	509,596	445	843,779
Due from Other Funds	1,572	62,164	0	63,736
Property Taxes Receivable	4,805,399	0	380,622	5,186,021
Allowance for Uncollectible Property Taxes	(73,562)	0	(5,826)	(79,388)
Total Assets	\$ 16,360,911	\$ 5,012,031	\$ 2,051,115	\$ 23,424,057
LIABILITIES				
Accounts Payable	\$ 422,228	\$ 0	\$ 191	\$ 422,419
Accrued Payroll	1,711	0	0	1,711
Payroll Deductions Payable	30,642	2,617	0	33,259
Due to Other Funds	62,164	0	1,572	63,736
Due to Component Units	14,982	0	0	14,982
Due to State of Tennessee	768	0	0	768
Due to Other Governments	100,000	0	0	100,000
Total Liabilities	\$ 632,495	\$ 2,617	\$ 1,763	\$ 636,875
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 4,542,942	\$ 0	\$ 359,834	\$ 4,902,776
Deferred Delinquent Property Taxes	177,395	0	14,062	191,457
Other Deferred/Unavailable Revenue	914,383	255,000	0	1,169,383
Total Deferred Inflows of Resources	\$ 5,634,720	\$ 255,000	\$ 373,896	\$ 6,263,616

(Continued)

HARDEMAN COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Other Governmental Funds	
FUND BALANCES				
Restricted:				
Restricted for General Government	\$ 25,852	\$ 0	\$ 0	\$ 25,852
Restricted for Finance	58,958	0	0	58,958
Restricted for Administration of Justice	235,898	0	0	235,898
Restricted for Public Safety	243,129	0	212,623	455,752
Restricted for Public Health and Welfare	364,632	0	0	364,632
Restricted for Other Operations	46,623	0	0	46,623
Committed:				
Committed for General Government	484,311	0	0	484,311
Committed for Finance	0	0	84,304	84,304
Committed for Public Safety	128,117	0	0	128,117
Committed for Public Health and Welfare	118	0	0	118
Committed for Highways/Public Works	0	4,754,414	0	4,754,414
Committed for Debt Service	0	0	1,378,529	1,378,529
Assigned:				
Assigned for General Government	13,836	0	0	13,836
Assigned for Finance	1,981	0	0	1,981
Assigned for Administration of Justice	363	0	0	363
Assigned for Public Safety	111,295	0	0	111,295
Assigned for Public Health and Welfare	6,392	0	0	6,392
Unassigned	8,372,191	0	0	8,372,191
Total Fund Balances	\$ 10,093,696	\$ 4,754,414	\$ 1,675,456	\$ 16,523,566
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,360,911	\$ 5,012,031	\$ 2,051,115	\$ 23,424,057

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, 2024

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 16,523,566
(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	9,590,213	
Add: infrastructure net of accumulated depreciation	7,842,145	
Add: other capital assets net of accumulated depreciation	<u>4,636,036</u>	23,826,044
(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	\$ (15,615,000)	
Add: deferred amount on refunding	470,461	
Less: unamortized premium on debt	(181,333)	
Less: net pension liability	(400,773)	
Less: compensated absences payable	(197,395)	
Less: accrued interest payable	<u>(42,222)</u>	(15,966,262)
(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	\$ 2,169,491	
Less: deferred inflows of resources related to pensions	<u>(277,356)</u>	1,892,135
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,360,840</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 27,636,323</u></u>

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

HARDEMAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds
For the Year Ended June 30, 2024

	Major Funds		Nonmajor	Total
	General	Highway / Public Works	Other Govern- mental Funds	
Revenues				
Local Taxes	\$ 5,633,141	\$ 791,720	\$ 1,125,302	\$ 7,550,163
Licenses and Permits	50,881	0	0	50,881
Fines, Forfeitures, and Penalties	236,382	0	103,856	340,238
Charges for Current Services	2,344,208	0	409,189	2,753,397
Other Local Revenues	1,699,313	72,735	0	1,772,048
Fees Received From County Officials	859,173	0	0	859,173
State of Tennessee	21,138,358	3,312,702	0	24,451,060
Federal Government	7,416	0	0	7,416
Other Governments and Citizens Groups	53,124	0	680,667	733,791
Total Revenues	\$ 32,021,996	\$ 4,177,157	\$ 2,319,014	\$ 38,518,167
Expenditures				
Current:				
General Government	\$ 1,913,656	\$ 0	\$ 0	\$ 1,913,656
Finance	540,908	0	409,189	950,097
Administration of Justice	1,047,301	0	0	1,047,301
Public Safety	28,756,079	0	86,873	28,842,952
Public Health and Welfare	3,051,394	0	0	3,051,394
Social, Cultural, and Recreational Services	118,447	0	0	118,447
Agriculture and Natural Resources	146,561	0	0	146,561
Other Operations	1,142,233	0	0	1,142,233
Highways	0	3,845,778	0	3,845,778
Debt Service:				
Principal on Debt	0	0	1,105,000	1,105,000
Interest on Debt	0	0	490,131	490,131
Other Debt Service	0	0	15,021	15,021
Total Expenditures	\$ 36,716,579	\$ 3,845,778	\$ 2,106,214	\$ 42,668,571

(Continued)

HARDEMAN COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Highway / Public Works</u>	<u>Other Govern- mental Funds</u>	
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,694,583)	\$ 331,379	\$ 212,800	\$ (4,150,404)
Other Financing Sources (Uses)				
Insurance Recovery	\$ 264,068	\$ 7,974	\$ 0	\$ 272,042
Transfers In	0	62,164	0	62,164
Transfers Out	(62,164)	0	0	(62,164)
Total Other Financing Sources (Uses)	\$ 201,904	\$ 70,138	\$ 0	\$ 272,042
Net Change in Fund Balances	\$ (4,492,679)	\$ 401,517	\$ 212,800	\$ (3,878,362)
Fund Balance, July 1, 2023	14,586,375	4,352,897	1,462,656	20,401,928
Fund Balance, June 30, 2024	\$ 10,093,696	\$ 4,754,414	\$ 1,675,456	\$ 16,523,566

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

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, 2024**

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (3,878,362)
(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	\$ 1,321,030	
Less: current-year depreciation expense	<u>(3,236,915)</u>	(1,915,885)
(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		(833)
(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, 2024	\$ 1,360,840	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(1,097,718)</u>	263,122
(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	\$ 1,105,000	
Less: change in deferred amount on refunding debt	(58,178)	
Add: change in premium on debt proceeds	<u>25,093</u>	1,071,915
(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	\$ 6,714	
Change in net pension liability	(165,681)	
Change in deferred outflows related to pensions	(140,591)	
Change in deferred inflows related to pensions	203,019	
Change in compensated absences payable	<u>(30,399)</u>	<u>(126,938)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (4,586,981)</u>

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

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 5,633,141	\$ 0	\$ 0	\$ 5,633,141	\$ 5,425,000	\$ 5,740,306	\$ (107,165)
Licenses and Permits	50,881	0	0	50,881	35,300	35,300	15,581
Fines, Forfeitures, and Penalties	236,382	0	0	236,382	287,525	287,525	(51,143)
Charges for Current Services	2,344,208	0	0	2,344,208	1,227,200	1,849,700	494,508
Other Local Revenues	1,699,313	0	0	1,699,313	1,521,100	1,583,264	116,049
Fees Received From County Officials	859,173	0	0	859,173	1,208,960	858,960	213
State of Tennessee	21,138,358	0	0	21,138,358	75,109,566	75,322,264	(54,183,906)
Federal Government	7,416	0	0	7,416	54,000	54,000	(46,584)
Other Governments and Citizens Groups	53,124	0	0	53,124	186,310	224,010	(170,886)
Total Revenues	\$ 32,021,996	\$ 0	\$ 0	\$ 32,021,996	\$ 85,054,961	\$ 85,955,329	\$ (53,933,333)
Expenditures							
General Government							
County Commission	\$ 36,407	\$ 0	\$ 0	\$ 36,407	\$ 45,425	\$ 42,425	\$ 6,018
Board of Equalization	550	0	0	550	1,000	1,250	700
Beer Board	999	0	0	999	1,077	1,277	278
Budget and Finance Committee	1,965	0	0	1,965	2,153	2,703	738
Other Boards and Committees	8,568	0	0	8,568	5,883	8,633	65
County Mayor/Executive	266,051	0	0	266,051	274,075	274,075	8,024
County Attorney	683,934	0	0	683,934	270,000	720,000	36,066
Election Commission	252,375	0	0	252,375	273,983	574,003	321,628
Register of Deeds	212,479	0	0	212,479	216,280	216,280	3,801
Development	94,339	0	0	94,339	113,876	113,876	19,537
County Buildings	307,645	(7,879)	12,635	312,401	290,434	427,434	115,033
Other Facilities	41,005	0	1,201	42,206	57,424	57,424	15,218
Other General Administration	2,532	0	0	2,532	7,500	7,500	4,968
Preservation of Records	4,807	0	0	4,807	7,500	7,500	2,693
Finance							
Accounting and Budgeting	21,438	0	0	21,438	21,650	21,650	212
Purchasing	4,290	0	0	4,290	4,395	4,395	105

(Continued)

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 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Finance (Cont.)							
Property Assessor's Office	\$ 152,193	\$ 0	\$ 0	\$ 152,193	\$ 163,802	\$ 163,802	\$ 11,609
Reappraisal Program	188,081	0	0	188,081	198,466	198,466	10,385
County Trustee's Office	61,552	0	0	61,552	234,695	69,258	7,706
County Clerk's Office	113,354	0	1,981	115,335	351,007	127,207	11,872
Administration of Justice							
Circuit Court	451,599	(1,028)	0	450,571	458,236	483,300	32,729
General Sessions Court	163,823	0	363	164,186	163,609	165,028	842
Chancery Court	276,678	0	0	276,678	294,277	295,562	18,884
Juvenile Court	78,071	0	0	78,071	70,111	80,311	2,240
Courtroom Security	76,130	0	0	76,130	118,465	89,654	13,524
Victim Assistance Programs	1,000	0	0	1,000	1,000	1,000	0
Public Safety							
Sheriff's Department	2,383,252	0	9,682	2,392,934	2,368,751	2,732,448	339,514
Special Patrols	290,348	0	0	290,348	312,438	410,091	119,743
Workhouse	2,255,381	(18,416)	101,614	2,338,579	2,082,199	2,572,566	233,987
Juvenile Services	54,511	0	0	54,511	60,412	60,412	5,901
Fire Prevention and Control	186,270	0	0	186,270	125,000	179,000	(7,270)
Rural Fire Protection	900	0	0	900	5,500	5,500	4,600
Civil Defense	11,300	0	0	11,300	17,354	17,164	5,864
Other Emergency Management	210,000	0	0	210,000	210,000	248,000	38,000
County Coroner/Medical Examiner	46,280	0	0	46,280	30,000	56,280	10,000
Other Public Safety	23,317,837	0	0	23,317,837	72,000,000	72,000,000	48,682,163
Public Health and Welfare							
Local Health Center	89,021	(23,481)	0	65,540	530,120	530,120	464,580
Rabies and Animal Control	58,866	0	0	58,866	75,493	75,493	16,627
Ambulance/Emergency Medical Services	2,818,604	0	6,391	2,824,995	1,855,860	3,032,280	207,285
Dental Health Program	45,824	0	0	45,824	107,837	112,230	66,406
Sanitation Education/Information	39,079	0	0	39,079	45,700	45,700	6,621

(Continued)

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 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Social, Cultural, and Recreational Services							
Libraries	\$ 118,447	\$ 0	\$ 0	\$ 118,447	\$ 102,897	\$ 133,597	\$ 15,150
Agriculture and Natural Resources							
Agricultural Extension Service	89,211	0	0	89,211	100,196	100,196	10,985
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	55,350	0	0	55,350	55,670	55,670	320
Other Operations							
Industrial Development	32,464	0	0	32,464	45,750	45,750	13,286
Other Economic and Community Development	6,000	0	0	6,000	10,000	10,000	4,000
Airport	238,918	0	0	238,918	287,989	307,989	69,071
Veterans' Services	13,959	0	0	13,959	14,630	14,630	671
Contributions to Other Agencies	22,901	0	0	22,901	23,050	23,050	149
Employee Benefits	194,716	0	0	194,716	156,000	156,000	(38,716)
Miscellaneous	633,275	0	0	633,275	495,550	563,655	(69,620)
Total Expenditures	\$ 36,716,579	\$ (50,804)	\$ 133,867	\$ 36,799,642	\$ 84,766,719	\$ 87,643,834	\$ 50,844,192
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (4,694,583)	\$ 50,804	\$ (133,867)	\$ (4,777,646)	\$ 288,242	\$ (1,688,505)	\$ (3,089,141)
Other Financing Sources (Uses)							
Insurance Recovery	\$ 264,068	\$ 0	\$ 0	\$ 264,068	\$ 0	\$ 181,830	\$ 82,238
Transfers In	0	0	0	0	50,000	0	0
Transfers Out	(62,164)	0	0	(62,164)	0	(62,164)	0
Total Other Financing Sources	\$ 201,904	\$ 0	\$ 0	\$ 201,904	\$ 50,000	\$ 119,666	\$ 82,238
Net Change in Fund Balance	\$ (4,492,679)	\$ 50,804	\$ (133,867)	\$ (4,575,742)	\$ 338,242	\$ (1,568,839)	\$ (3,006,903)
Fund Balance, July 1, 2023	14,586,375	(50,804)	0	14,535,571	5,034,197	5,034,197	9,501,374
Fund Balance, June 30, 2024	\$ 10,093,696	\$ 0	\$ (133,867)	\$ 9,959,829	\$ 5,372,439	\$ 3,465,358	\$ 6,494,471

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

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, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 791,720	\$ 809,514	\$ 809,514	\$ (17,794)
Other Local Revenues	72,735	26,000	91,582	(18,847)
State of Tennessee	3,312,702	6,104,594	6,104,594	(2,791,892)
Total Revenues	\$ 4,177,157	\$ 6,940,108	\$ 7,005,690	\$ (2,828,533)
Expenditures				
Highways				
Administration	\$ 232,781	\$ 273,687	\$ 273,687	\$ 40,906
Highway and Bridge Maintenance	1,327,839	1,774,207	1,839,789	511,950
Operation and Maintenance of Equipment	413,900	514,200	514,200	100,300
Asphalt Plant Operations	613,086	3,131,197	3,131,197	2,518,111
Other Charges	114,004	125,500	139,500	25,496
Employee Benefits	419,188	658,000	658,000	238,812
Capital Outlay	724,980	1,105,876	1,450,876	725,896
Total Expenditures	\$ 3,845,778	\$ 7,582,667	\$ 8,007,249	\$ 4,161,471
Excess (Deficiency) of Revenues Over Expenditures	\$ 331,379	\$ (642,559)	\$ (1,001,559)	\$ 1,332,938
Other Financing Sources (Uses)				
Insurance Recovery	\$ 7,974	\$ 0	\$ 0	\$ 7,974
Transfers In	62,164	0	0	62,164
Total Other Financing Sources	\$ 70,138	\$ 0	\$ 0	\$ 70,138
Net Change in Fund Balance	\$ 401,517	\$ (642,559)	\$ (1,001,559)	\$ 1,403,076
Fund Balance, July 1, 2023	4,352,897	3,531,209	3,531,209	821,688
Fund Balance, June 30, 2024	\$ 4,754,414	\$ 2,888,650	\$ 2,529,650	\$ 2,224,764

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

HARDEMAN COUNTY, TENNESSEE**Statement of Net Position**

Proprietary Fund

June 30, 2024

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
ASSETS	
Current Assets:	
Cash	\$ 340
Equity in Pooled Cash and Investments	2,216,240
Accounts Receivable	28,901
Allowance for Uncollectibles	(18,785)
Total Current Assets	<u>\$ 2,226,696</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 219,838
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	796,462
Machinery and Equipment	1,178,409
Total Noncurrent Assets	<u>\$ 2,194,709</u>
Total Assets	<u>\$ 4,421,405</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Changes in Experience	\$ 24,915
Pension Changes in Assumptions	38,627
Pension Changes in Investment Earnings	9,024
Pension Contributions After Measurement Date	35,027
Total Deferred Outflows of Resources	<u>\$ 107,593</u>

(Continued)

HARDEMAN COUNTY, TENNESSEE**Statement of Net Position**

Proprietary Fund (Cont.)

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 19,276
Payroll Deductions Payable	6,383
Accrued Leave - Current	5,182
Capital Outlay Notes Payable	85,684
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	75,277
Total Current Liabilities	<u>\$ 191,802</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 1,788,191
Capital Outlay Notes Payable - Long-term	369,064
Net Pension Liability	19,413
Total Noncurrent Liabilities	<u>\$ 2,176,668</u>
Total Liabilities	<u>\$ 2,368,470</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Changes in Experience	\$ 13,434
Total Deferred Inflows of Resources	<u>\$ 13,434</u>
NET POSITION	
Net Investment in Capital Assets	\$ 1,739,961
Unrestricted	<u>407,133</u>
Total Net Position	<u><u>\$ 2,147,094</u></u>

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

HARDEMAN COUNTY, TENNESSEE
Statement of Revenues, Expenses, and
Changes in Net Position
 Proprietary Fund
For the Year Ended June 30, 2024

	Business-type
	Activities
	Major
	Enterprise
	Fund
	Solid Waste
	Disposal
	Fund
Operating Revenues	
Residential Waste Collection Charge	\$ 1,106,135
Solid Waste Disposal Fee	266,127
Service Charges	13,007
Total Operating Revenues	<u>\$ 1,385,269</u>
Operating Expenses	
County Official/Administrative Officer	\$ 49,936
Accountants/Bookkeepers	10,520
Laborers	197,658
Clerical Personnel	68,138
Part-time Personnel	140,451
Educational Incentive	2,250
Overtime Pay	102
Social Security	31,895
Pension	61,274
Employee and Dependent Insurance	63,058
Disability Insurance	23,760
Unemployment Compensation	1,186
Employer Medicare	6,876
Audit Services	949
Communication	7,647
Consultants	24,533
Contracts with Private Agencies	507,462
Data Processing Services	13,376
Maintenance and Repair Services - Buildings	521
Maintenance and Repair Services - Equipment	71,558
Maintenance and Repair Services - Vehicles	3,693

(Continued)

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
Operating Expenses (Cont.)	
Postal Charges	\$ 368
Rentals	5,365
Travel	300
Other Contracted Services	27,241
Custodial Supplies	1,015
Gasoline	59,955
Lubricants	3,528
Office Supplies	4,771
Uniforms	2,730
Utilities	87,701
Gravel and Chert	12,469
Other Supplies and Materials	5,254
Liability Insurance	16,316
Refunds	2,832
Depreciation	220,652
Other Charges	37,193
Motor Vehicles	54,545
Office Equipment	100
Total Operating Expenses	<u>\$ 1,829,178</u>
Operating Income (Loss)	<u>\$ (443,909)</u>
Nonoperating Revenues (Expenses)	
Investment Income	\$ 125,982
Miscellaneous Refunds	53,016
Other State Revenues	13,229
Interest on Notes	(16,085)
Total Nonoperating Revenues (Expenses)	<u>\$ 176,142</u>
Change in Net Position	\$ (267,767)
Net Position, July 1, 2023	<u>2,414,861</u>
Net Position, June 30, 2024	<u><u>\$ 2,147,094</u></u>

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

HARDEMAN COUNTY, TENNESSEE**Statement of Cash Flows**

Proprietary Fund

For the Year Ended June 30, 2024

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,405,579
Payments for Waste Disposal and Maintenance	(1,684,055)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (278,476)</u>
Cash Flows from Noncapital Financing Activities	
Other State Revenues	\$ 13,229
Miscellaneous Refunds	53,015
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 66,244</u>
Cash Flows from Investing Activities	
Investment Income	\$ 125,982
Net Cash Provided By (Used In) Investing Activities	<u>\$ 125,982</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	\$ (634,876)
Interest Paid on Notes	(16,085)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (650,961)</u>
Increase (Decrease) in Cash	\$ (737,211)
Cash, July 1, 2023	<u>2,953,791</u>
Cash, June 30, 2024	<u><u>\$ 2,216,580</u></u>

(Continued)

HARDEMAN COUNTY, TENNESSEE**Statement of Cash Flows**

Proprietary Fund (Cont.)

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal Fund
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (443,909)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	220,652
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(1,077)
Increase (Decrease) in Allowance for Uncollectibles	701
(Increase) Decrease in Cash Shortage	1,890
(Increase) Decrease in Deferred Outflows of Resources Related to Pensions	43,521
Increase (Decrease) in Accounts Payable	8,492
Increase (Decrease) in Payroll Deductions Payable	(292)
Increased (Decrease) in Long Term Debt	(83,196)
Increase (Decrease) in Compensated Absences	2
Increase (Decrease) in Deferred Inflows Related to Pensions	(20,842)
Increase (Decrease) in Accrued Liability for Landfill Closure/Postclosure Costs	(7,057)
Increase (Decrease) in Net Pension Liability	2,639
Net Cash Provided By (Used In) Operating Activities	<u>\$ (278,476)</u>
Reconciliation of Cash with Statement of Net Position	
Cash Per Net Position	\$ 340
Equity in Pooled Cash and Investments Per Net Position	<u>2,216,240</u>
Cash, June 30, 2024	<u>\$ 2,216,580</u>

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

HARDEMAN COUNTY, TENNESSEE

Statement of Net Position

Fiduciary Funds

June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 2,294,034
Due from Other Governments	<u>473,392</u>
Total Assets	<u>\$ 2,767,426</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 473,392</u>
Total Liabilities	<u>\$ 473,392</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 2,294,034</u>
Total Net Position	<u><u>\$ 2,294,034</u></u>

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

HARDEMAN COUNTY, TENNESSEE
Statement of Changes in Net Position
 Fiduciary Funds
For the Year Ended June 30, 2024

**Custodial
Funds**

ADDITIONS

Sales Tax Collections for Other Governments	\$ 2,754,131
Fines/Fees and Other Collections	8,663,111
Total Additions	<u>\$ 11,417,242</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 2,754,131
Payments to State	2,866,772
Payments to Cities, Individuals, and Others	5,318,091
Total Deductions	<u>\$ 10,938,994</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 478,248
Net Position, July 1, 2023	<u>1,815,786</u>
Net Position, June 30, 2024	<u><u>\$ 2,294,034</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, 2024

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, 2024.

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 balance, 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.

Additionally, Hardeman County School Department reports the following fund type:

Capital Projects Fund – The Education Capital Projects Fund is used to account for transactions involving building construction and renovations.

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 (FY24) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY23) 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 0.8 percent of total taxes levied.

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

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

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

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 \$1,847,083 in restricted net position, of which \$197,216 is restricted by enabling legislation.

As of June 30, 2024, Hardeman County had \$780,000 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 and the school department’s Education Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, 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.

On June 30, 2024, the Hardeman County and the Hardeman County School Department reported the following encumbrances:

Fund	Amount
Primary Government:	
Major Fund:	
General	\$ 133,867
Nonmajor Fund:	
Drug Control	11,266
School Department:	
Major Funds:	
General Purpose School	134,060
School Federal Projects	47,086
Nonmajor Fund:	
Central Cafeteria	2,569

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in three major appropriations categories (the legal level of control) of the General Fund as reflected in the following table:

Major Appropriation Category	Amount Overspent
Public Safety - Fire Prevention and Control	\$ 7,270
Other Operations - Employee Benefits	38,716
Other Operation - Miscellaneous	69,620

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, 2024, 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 48 days	N/A	\$ 2,220,506

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, 2024, 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-accfinar.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, 2024, 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	\$ 133,444
Developed Market International Equity	N/A	N/A	60,265
Emerging Market International Equity	N/A	N/A	17,219
U.S. Fixed Income	N/A	N/A	86,093
Real Estate	N/A	N/A	43,047
Short-term Securities	N/A	N/A	4,305
NAV - Private Equity and Strategic Lending	N/A	N/A	86,093
Total			\$ 430,466

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://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
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	12,775,685	1,321,030	(15,000)	14,081,715
Total Capital Assets Depreciated	\$ 71,124,815	\$ 1,321,030	\$ (15,000)	\$ 72,430,845
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 18,200,473	\$ 967,332	\$ 0	\$ 19,167,805
Infrastructure	20,460,854	1,288,113	0	21,748,967
Other Capital Assets	8,478,376	981,470	(14,167)	9,445,679
Total Accumulated Depreciation	\$ 47,139,703	\$ 3,236,915	\$ (14,167)	\$ 50,362,451
Total Capital Assets Depreciated, Net	\$ 23,985,112	\$ (1,915,885)	\$ (833)	\$ 22,068,394
Governmental Activities Capital Assets, Net	\$ 25,742,762	\$ (1,915,885)	\$ (833)	\$ 23,826,044

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

Governmental Activities:

General Government	\$	308,639
Finance		5,880
Administration of Justice		180,000
Public Safety		733,819
Public Health and Welfare		215,901
Highways/Public Works		<u>1,792,676</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>3,236,915</u></u>

Net Investment in Capital Assets

Capital Assets	\$	23,826,044
Less:		
Outstanding principal of capital debt and other capital borrowings		(14,835,000)
Unamortized balance of original issue premiums on outstanding capital-related debt		<u>(164,281)</u>
Net Investment in Capital Assets	\$	<u><u>8,826,763</u></u>

Business-type Activities:

	Balance 7-1-23	Increases	Balance 6-30-24
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	634,876	2,089,101
Total Capital Assets Depreciated	<u>\$ 3,961,592</u>	<u>\$ 634,876</u>	<u>\$ 4,596,468</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,642,402	\$ 68,503	\$ 1,710,905
Other Capital Assets	758,543	152,149	910,692
Total Accumulated Depreciation	<u>\$ 2,400,945</u>	<u>\$ 220,652</u>	<u>\$ 2,621,597</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,560,647</u>	<u>\$ 414,224</u>	<u>\$ 1,974,871</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,780,485</u>	<u>\$ 414,224</u>	<u>\$ 2,194,709</u>

There were no decreases in capital assets to report during the year ended June 30, 2024.

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

Business-type Activities:

Solid Waste Disposal	<u>\$ 220,652</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$ 220,652</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 2,194,709
Less:	
Outstanding principal of capital debt and other capital borrowings	(454,748)
Net Investment in Capital Assets	<u>\$ 1,739,961</u>

Discretely Presented Hardeman County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 358,116	\$ 0	\$ 0	\$ 358,116
Construction in Progress	591,554	2,567,378	(591,554)	2,567,378
Total Capital Assets Not Depreciated	<u>\$ 949,670</u>	<u>\$ 2,567,378</u>	<u>\$ (591,554)</u>	<u>\$ 2,925,494</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 39,763,709	\$ 2,747,379	\$ 0	\$ 42,511,088
Other Capital Assets	9,865,517	444,294	0	10,309,811
Total Capital Assets Depreciated	<u>\$ 49,629,226</u>	<u>\$ 3,191,673</u>	<u>\$ 0</u>	<u>\$ 52,820,899</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 27,455,965	\$ 1,224,939	\$ 0	\$ 28,680,904
Other Capital Assets	8,239,028	478,422	0	8,717,450
Total Accumulated Depreciation	<u>\$ 35,694,993</u>	<u>\$ 1,703,361</u>	<u>\$ 0</u>	<u>\$ 37,398,354</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,934,233</u>	<u>\$ 1,488,312</u>	<u>\$ 0</u>	<u>\$ 15,422,545</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,883,903</u>	<u>\$ 4,055,690</u>	<u>\$ (591,554)</u>	<u>\$ 18,348,039</u>

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

Governmental Activities:

Instruction	\$ 743,741
Support Services	864,086
Operation of Non-instructional Services	<u>95,534</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,703,361</u></u>

C. Construction Commitments

On June 30, 2024, the school department had uncompleted construction contracts of approximately \$1,640,747 for school renovations and construction. Funding for these future expenditures has been received.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 1,572
Highway/Public Works	General	62,164
Discretely Presented School Department:		
General Purpose School	School Federal Projects	92,369
School Federal Projects	General Purpose School	23,055

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
Nonmajor governmental	General	\$ 14,982

The receivable from the General Fund represents amounts due for investment interest.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2024, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In	
	Highway/ Public Works Fund	Purpose
General Fund	\$ 62,164	Disaster Relief funds
Total	\$ 62,164	

Discretely Presented Hardeman County School Department

Transfers Out	Transfers In		
	General Purpose School Fund	School Federal Projects Fund	Purpose
General Purpose School Fund	\$ 0	\$ 32,594	Community Oriented Policing Services funds
School Federal Projects Fund	349,038	0	Indirect costs
Total	\$ 349,038	\$ 32,594	

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

E. Long-term Debt

Primary Government

General Obligation Bonds - 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, 2024, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2024, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
General Obligation Bonds	2 to 3 %	4-1-30	\$ 2,815,000	\$ 780,000
General Obligation Bonds - Refunding	2 to 5	6-1-43	17,860,000	14,835,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2024, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2030-2034	3,280,000	1,770,262	5,050,262
2035-2039	4,470,000	1,249,463	5,719,463
2040-2043	4,500,000	399,702	4,899,702
Total	\$ 15,615,000	\$ 5,592,602	\$ 21,207,602

There is \$1,378,529 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$613, based on the 2020 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled \$620, based on the 2020 federal census.

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

Description of Debt	Outstanding 6-30-24
<u>Bonds Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation School Bonds, Series 2013	\$ 780,000
Total	\$ 780,000

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	<u>Bonds</u>
Balance, July 1, 2023	\$ 16,720,000
Reductions	<u>(1,105,000)</u>
Balance, June 30, 2024	<u>\$ 15,615,000</u>
Balance Due Within One Year	<u>\$ 485,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 15,615,000
Less: Balance Due Within One Year - Debt	(485,000)
Add: Unamortized Premium on Debt	<u>181,333</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 15,311,333</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, 2024, will be retired from the Solid Waste Disposal Fund.

The capital outlay note outstanding as of June 30, 2024, for business-type activities is as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
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Direct Borrowings and Direct Placements:

Capital Outlay Note	2.99	%	5-20-29	\$ 618,725	\$ 454,748
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The annual requirements to amortize the note outstanding as of June 30, 2024, including interest payments, are presented in the following table:

Year Ending June 30	Note - Direct Placement		
	Principal	Interest	Total
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	\$ 454,748	\$ 41,587	\$ 496,335

Changes in Long-term Debt

Long-term debt activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2024, was as follows:

Business-type Activities:

	Notes - Direct Placement
Balance, July 1, 2023	\$ 537,944
Reductions	(83,196)
Balance, June 30, 2024	\$ 454,748
Balance Due Within One Year	\$ 85,684

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 454,748
Less: Balance Due Within One Year - Debt	(85,684)
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	\$ 369,064

F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Compensated Absences	Net Pension Liability
Balance, July 1, 2023	\$ 166,996	\$ 235,092
Additions	252,452	(2,201,045)
Reductions	(222,053)	2,366,726
Balance, June 30, 2024	<u>\$ 197,395</u>	<u>\$ 400,773</u>
Balance Due Within One Year	<u>\$ 81,881</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 598,168
Less: Balance Due Within One Year - Other	<u>(81,881)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 516,287</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, 2024, was as follows:

Business-type Activities:

	Landfill Closure/ Postclosure Care Costs	Compensated Absences	Net Pension Liability
Balance, July 1, 2023	\$ 1,870,525	\$ 5,180	\$ 16,774
Additions	68,220	9,193	(112,000)
Reductions	(75,277)	(9,191)	114,639
Balance, June 30, 2024	<u>\$ 1,863,468</u>	<u>\$ 5,182</u>	<u>\$ 19,413</u>
Balance Due Within One Year	<u>\$ 75,277</u>	<u>\$ 5,182</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 1,888,063
Less: Balance Due Within One Year - Other	<u>(80,459)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,807,604</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, 2024, was as follows:

Governmental Activities:

	Compensated Absences	Net Pension Liability	Net OPEB Liability
Balance, July 1, 2023	\$ 164,801	\$ 177,135	\$ 3,847,761
Additions	94,135	(1,750,552)	599,412
Reductions	(67,739)	1,894,169	(307,124)
Balance, June 30, 2024	<u>\$ 191,197</u>	<u>\$ 320,752</u>	<u>\$ 4,140,049</u>
Balance Due Within One Year	<u>\$ 54,534</u>	<u>\$ 0</u>	<u>\$ 303,044</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 4,651,998
Less: Balance Due Within One Year - Other	<u>(357,578)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,294,420</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.

G. 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, 2024, were \$123,843 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 Change*

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the fiscal year ending June 30, 2024. This statement clarifies the financial accounting and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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 pending litigation with 80 plaintiffs regarding accrued and unpaid leave. The plaintiffs are seeking \$3,500,000 in attorneys' fees and \$3,050,000 in damages. As of the date of our audit report, trial dates have not been set for the majority of the plaintiffs. The potential effect on the financial statements is not known at this time.

The county is involved in several other 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. *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 \$1,863,468 reported as landfill closure and postclosure care liability on June 30, 2024, represents the cumulative amount reported to date based on the use of 99 percent of the estimated capacity of the extension landfill site (\$1,472,781) and for the original landfill site closed in 1999 (\$390,687) and represents estimates of the cost to perform all closure and postclosure care in 2024. The county will recognize the remaining estimated costs of closure and postclosure care of \$53,917 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.

E. *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 \$118,747 to the operations of the library during the year ended June 30, 2024.

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

F. 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 56.71 percent and the non-certified employees of the discretely presented school department comprised 43.29 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	289
Inactive Employees Entitled to But Not Yet Receiving Benefits	438
Active Employees	298
 Total	 <u><u>1,025</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees 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, 2024, the employer contribution for Hardeman County was \$1,214,781 based on a rate of 11.21 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, 2023, 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, 2023, 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, 2023, 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
Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 44,832,795	\$ 44,403,794	\$ 429,001
Changes for the Year:			
Service Cost	\$ 880,889	\$ 0	\$ 880,889
Interest	3,024,416	0	3,024,416
Differences Between Expected and Actual Experience	433,937	0	433,937
Contributions-Employer	0	1,103,952	(1,103,952)
Net Investment Income	0	2,959,645	(2,959,645)
Benefit Payments, Including Refunds of Employee Contributions	(1,815,056)	(1,815,056)	0
Administrative Expense	0	(36,292)	36,292
Net Changes	<u>\$ 2,524,186</u>	<u>\$ 2,212,249</u>	<u>\$ 311,937</u>
Balance, June 30, 2023	<u>\$ 47,356,981</u>	<u>\$ 46,616,043</u>	<u>\$ 740,938</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.71%	\$ 26,856,144	\$ 26,435,958	\$ 420,186
School Department	43.29%	<u>20,500,837</u>	<u>20,180,085</u>	<u>320,752</u>
Total		<u>\$ 47,356,981</u>	<u>\$ 46,616,043</u>	<u>\$ 740,938</u>

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

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

Net Pension Liability (Asset) \$ 6,996,007 \$ 740,938 \$ (4,421,929)

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, 2024, Hardeman County recognized pension expense (negative pension expense) of \$1,403,011.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 950,941	\$ 512,766
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	344,425	0
Changes in Assumptions	1,474,330	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	1,214,781	N/A
Total	<u>\$ 3,984,477</u>	<u>\$ 512,766</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” 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	\$ 2,277,084	\$ 290,790
School Department	1,707,393	221,976
Total	<u>\$ 3,984,477</u>	<u>\$ 512,766</u>

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

Year Ending June 30	Amount
2025	\$ 554,412
2026	350,419
2027	1,262,837
2028	89,262
2029	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 56.71 percent and the non-certified employees of the discretely presented school department comprised 43.29 percent of the plan based on contribution data.

Discretely Presented Hardeman County School Department – 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, 2024, to the Teacher Retirement Plan were \$168,470, which is 2.95 percent of covered payroll. In addition, employer contributions of \$54,728, which is 1.05 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). On June 30, 2024, the school department reported a liability (asset) of (\$107,160) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .252716 percent. The proportion as of June 30, 2022, was .260395 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$138,177.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,610	\$ 62,547
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	27,245	0
Changes in Assumptions	80,621	0
Changes in Proportion of Net Pension Liability (Asset)	39,789	28,589
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	168,470	N/A
Total	<u>\$ 319,735</u>	<u>\$ 91,136</u>

The school department's employer contributions of \$168,470, 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, 2025. 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
2025	\$ 2,057
2026	(1,908)
2027	40,121
2028	4,488
2029	4,654
Thereafter	10,717

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, 2023, 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, 2023, 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
Short-term Securities	1.20	20
	4.38	10
	0.00	1
Total		100 %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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)	\$ 492,932	\$ (107,160)	\$ (539,177)

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

Discretely Presented Hardeman County School Department - Certified Employees - 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, 2024, to the Teacher Legacy Pension Plan were \$810,318, which is 6.81 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). On June 30, 2024, the school department reported a liability (asset) of (\$4,433,949) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion

was .376085 percent. The proportion measured on June 30, 2022, was .397607 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$1,275,636.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 1,056,392	\$ 205,765
Changes in Assumptions	1,444,702	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	769,313	0
Changes in Proportion of Net Pension Liability (Asset)	371,983	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	<u>810,318</u>	<u>N/A</u>
Total	<u>\$ 4,452,708</u>	<u>\$ 205,765</u>

The school department's employer contributions of \$810,318 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
	<u>Amount</u>
2025	\$ 1,188,336
2026	(489,834)
2027	2,732,096
2028	6,027
2029	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, 2023, 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, 2023, 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
Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 9,657,450	\$ (4,433,949)	\$ (16,154,020)

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 \$290,309 and teachers contributed \$136,636 to this deferred compensation pension plan.

G. 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, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2023, 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	3.65%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over a 11-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 3.65 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, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2020, 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-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 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-2021.

Changes in Assumptions. The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased 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 2023 plan year was revised from 8.37 percent to 10.31 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, 2023, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries	
Currently receiving Benefits	27
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	283
Total	<u><u>311</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$151,036 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Hardeman County School Department 59.707%	State of TN 40.293%	Total OPEB Liability
Balance July 1, 2022	\$ 3,847,761	\$ 2,351,924	\$ 6,199,685
Changes for the Year:			
Service Cost	\$ 148,149	\$ 99,978	\$ 248,127
Interest	133,457	90,063	223,520
Difference between Expected and Actuarial Experience	52,445	35,392	87,837
Changes in Proportion	(146,092)	146,092	0
Changes in Assumption and Other Inputs	265,361	179,078	444,439
Benefit Payments	(161,032)	(108,671)	(269,703)
Net Changes	\$ 292,288	\$ 441,932	\$ 734,220
Balance June 30, 2023	\$ 4,140,049	\$ 2,793,856	\$ 6,933,905

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 \$277,851 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 59.707% and the State of Tennessee's share was 40.293%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized OPEB expense of \$580,895 including the state's share of the expense. On June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 215,701	\$ 176,088
Changes of Assumptions	757,348	412,945
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	55,764	295,837
Benefits Paid After the Measurement Date of June 30, 2023	151,036	0
Total	<u>\$ 1,179,849</u>	<u>\$ 884,870</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
2025	\$ 21,436
2026	21,436
2027	24,192
2028	35,225
2029	26,797
Thereafter	14,857

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
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,429,778	\$ 4,140,049	\$ 3,865,329
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Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	9.31 to 3.5%	10.31 to 4.5%	11.31 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,756,699	\$ 4,140,049	\$ 4,579,070
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H. 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 SECTION

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	2023
Total Pension Liability										
Service Cost	\$ 720,165	\$ 745,213	\$ 769,187	\$ 743,695	\$ 772,435	\$ 830,701	\$ 834,483	\$ 858,513	\$ 883,674	\$ 880,889
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	3,024,416
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	433,937
Changes in Assumptions	0	0	0	770,039	0	0	0	3,685,828	0	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)	(1,815,056)
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	\$ 2,524,186
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	44,832,795
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	\$ 47,356,981
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	\$ 1,103,952
Contributions - Employee	0	394	0	14,061	0	335	3,134	5,501	3,061	0
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)	2,959,645
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)	(1,815,056)
Administrative Expense	(13,867)	(18,785)	(27,551)	(30,536)	(35,047)	(32,892)	(32,062)	(30,657)	(29,366)	(36,292)
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)	\$ 2,212,249
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	44,403,794
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	\$ 46,616,043
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	\$ 740,938
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%	98.44%
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	\$ 9,856,702
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%	7.52%

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-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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 772,148	\$ 767,538	\$ 766,716	\$ 844,019	\$ 973,460	\$ 1,004,279	\$ 983,311	\$ 988,349	\$ 1,103,952	\$ 1,214,781
Less: Contributions in Relation to the Actuarially Determined Contribution	(772,148)	(767,538)	(766,716)	(844,019)	(973,460)	(1,004,279)	(983,311)	(988,349)	(1,103,952)	(1,214,781)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,666,079	\$ 8,619,206	\$ 8,607,854	\$ 9,184,089	\$ 9,580,266	\$ 9,769,259	\$ 9,565,286	\$ 9,614,285	\$ 9,856,702	\$ 10,836,580
Contributions as a Percentage of Covered Payroll	8.91%	8.90%	8.91%	9.19%	10.16%	10.28%	10.28%	10.28%	11.20%	11.21%

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.

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	2024
Contractually Required Contribution	\$ 33,360	\$ 53,252	\$ 87,659	\$ 44,974	\$ 53,494	\$ 59,044	\$ 61,982	\$ 89,380	\$ 144,264	\$ 168,470
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)	(144,264)	(168,470)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (65,342)	\$ 0	\$ 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	\$ 5,026,623	\$ 5,710,847
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%	2.95%

Note: 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%

2024: Pension - 2.95%, SRT - 1.05%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 1,509,819	\$ 1,463,697	\$ 1,385,918	\$ 1,360,556	\$ 1,509,799	\$ 1,452,228	\$ 1,353,318	\$ 1,347,756	\$ 1,060,541	\$ 810,318
Less: Contributions in Relation to the Contractually Required Contribution	(1,509,819)	(1,463,697)	(1,385,918)	(1,360,556)	(1,509,799)	(1,452,228)	(1,353,318)	(1,347,756)	(1,060,541)	(810,318)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 16,701,599	\$ 16,191,323	\$ 15,400,814	\$ 14,984,072	\$ 14,431,776	\$ 13,662,423	\$ 13,183,485	\$ 13,084,987	\$ 12,204,167	\$ 11,907,667
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.00%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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%	0.252716%
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)	\$ (107,160)
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	\$ 5,026,623
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)%	(2.13)%
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%	104.97%

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	2023
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%	0.376085%
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)	\$ (4,433,949)
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	\$ 12,204,167
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)%	(36.33)%
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%	104.11%

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	2023
Total OPEB Liability							
Service Cost	\$ 256,757	\$ 238,226	\$ 232,128	\$ 202,058	\$ 256,905	\$ 345,771	\$ 248,127
Interest	151,532	181,280	182,267	170,740	117,114	144,377	223,520
Differences Between Actual and Expected Experience	0	(361,660)	82,020	(277,213)	259,230	126,214	87,837
Changes in Assumptions or Other Inputs	(226,325)	160,451	(380,504)	522,925	897,979	(635,722)	444,439
Benefit Payments	(250,134)	(271,380)	(269,649)	(242,980)	(233,131)	(237,351)	(269,703)
Net Change in Total OPEB Liability	\$ (68,170)	\$ (53,083)	\$ (153,738)	\$ 375,530	\$ 1,298,097	\$ (256,711)	\$ 734,220
Total OPEB Liability, Beginning	5,057,760	4,989,590	4,936,507	4,782,769	5,158,299	6,456,396	6,199,685
Total OPEB Liability, Ending	\$ 4,989,590	\$ 4,936,507	\$ 4,782,769	\$ 5,158,299	\$ 6,456,396	\$ 6,199,685	\$ 6,933,905
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	\$ 2,793,856
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	4,140,049
Covered Employee Payroll	\$ 18,762,162	\$ 18,327,272	\$ 17,711,118	\$ 17,011,783	\$ 16,907,329	\$ 16,493,668	\$ 16,442,819
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.09%	17.23%	17.15%	19.98%	24.58%	23.33%	25.18%

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%
2023	3.65%

(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%
- For the 2024 plan year - from 8.37% to 10.31%

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, 2024

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2024 were calculated based on the July 1, 2022, 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 FUNDS

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

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

HARDEMAN COUNTY, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2024

	Special Revenue Funds			Debt Service	Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Total	Fund General Debt Service	
ASSETS					
Cash	\$ 0	\$ 85,720	\$ 85,720	\$ 0	\$ 85,720
Equity in Pooled Cash and Investments	212,814	0	212,814	1,377,184	1,589,998
Accounts Receivable	0	156	156	0	156
Due from Other Governments	0	0	0	445	445
Property Taxes Receivable	0	0	0	380,622	380,622
Allowance for Uncollectible Property Taxes	0	0	0	(5,826)	(5,826)
Total Assets	\$ 212,814	\$ 85,876	\$ 298,690	\$ 1,752,425	\$ 2,051,115
LIABILITIES					
Accounts Payable	\$ 191	\$ 0	\$ 191	\$ 0	\$ 191
Due to Other Funds	0	1,572	1,572	0	1,572
Total Liabilities	\$ 191	\$ 1,572	\$ 1,763	\$ 0	\$ 1,763
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 359,834	\$ 359,834
Deferred Delinquent Property Taxes	0	0	0	14,062	14,062
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 373,896	\$ 373,896

(Continued)

HARDEMAN COUNTY, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds (Cont.)

FUND BALANCES

Restricted:

 Restricted for Public Safety

Committed:

 Committed for Finance

 Committed for Debt Service

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Control	Constitutional Officers - Fees	Total	General Debt Service	
Restricted:					
Restricted for Public Safety	\$ 212,623	\$ 0	\$ 212,623	\$ 0	\$ 212,623
Committed:					
Committed for Finance	0	84,304	84,304	0	84,304
Committed for Debt Service	0	0	0	1,378,529	1,378,529
Total Fund Balances	<u>\$ 212,623</u>	<u>\$ 84,304</u>	<u>\$ 296,927</u>	<u>\$ 1,378,529</u>	<u>\$ 1,675,456</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 212,814</u>	<u>\$ 85,876</u>	<u>\$ 298,690</u>	<u>\$ 1,752,425</u>	<u>\$ 2,051,115</u>

HARDEMAN COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			Debt Service Fund	Total
	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	Nonmajor Governmental Funds
Revenues					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 1,125,302	\$ 1,125,302
Fines, Forfeitures, and Penalties	103,856	0	103,856	0	103,856
Charges for Current Services	0	409,189	409,189	0	409,189
Other Governments and Citizens Groups	77	0	77	680,590	680,667
Total Revenues	\$ 103,933	\$ 409,189	\$ 513,122	\$ 1,805,892	\$ 2,319,014
Expenditures					
Current:					
Finance	\$ 0	\$ 409,189	\$ 409,189	\$ 0	\$ 409,189
Public Safety	86,873	0	86,873	0	86,873
Debt Service:					
Principal on Debt	0	0	0	1,105,000	1,105,000
Interest on Debt	0	0	0	490,131	490,131
Other Debt Service	0	0	0	15,021	15,021
Total Expenditures	\$ 86,873	\$ 409,189	\$ 496,062	\$ 1,610,152	\$ 2,106,214
Excess (Deficiency) of Revenues Over Expenditures	\$ 17,060	\$ 0	\$ 17,060	\$ 195,740	\$ 212,800
Net Change in Fund Balances	\$ 17,060	\$ 0	\$ 17,060	\$ 195,740	\$ 212,800
Fund Balance, July 1, 2023	195,563	84,304	279,867	1,182,789	1,462,656
Fund Balance, June 30, 2024	\$ 212,623	\$ 84,304	\$ 296,927	\$ 1,378,529	\$ 1,675,456

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Fines, Forfeitures, and Penalties	\$ 103,856	\$ 0	\$ 0	\$ 103,856	\$ 81,800	\$ 81,800	\$ 22,056
Other Governments and Citizens Groups	77	0	0	77	19,000	19,000	(18,923)
Total Revenues	\$ 103,933	\$ 0	\$ 0	\$ 103,933	\$ 100,800	\$ 100,800	\$ 3,133
Expenditures							
Public Safety							
Drug Enforcement	\$ 86,873	\$ (7,420)	\$ 11,266	\$ 90,719	\$ 100,800	\$ 135,449	\$ 44,730
Total Expenditures	\$ 86,873	\$ (7,420)	\$ 11,266	\$ 90,719	\$ 100,800	\$ 135,449	\$ 44,730
Excess (Deficiency) of Revenues Over Expenditures	\$ 17,060	\$ 7,420	\$ (11,266)	\$ 13,214	\$ 0	\$ (34,649)	\$ 47,863
Net Change in Fund Balance	\$ 17,060	\$ 7,420	\$ (11,266)	\$ 13,214	\$ 0	\$ (34,649)	\$ 47,863
Fund Balance, July 1, 2023	195,563	(7,420)	0	188,143	103,623	103,623	84,520
Fund Balance, June 30, 2024	\$ 212,623	\$ 0	\$ (11,266)	\$ 201,357	\$ 103,623	\$ 68,974	\$ 132,383

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, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,125,302	\$ 1,099,700	\$ 1,099,700	\$ 25,602
Other Governments and Citizens Groups	680,590	0	681,500	(910)
Total Revenues	\$ 1,805,892	\$ 1,099,700	\$ 1,781,200	\$ 24,692
Expenditures				
Principal on Debt				
General Government	\$ 460,000	\$ 461,000	\$ 460,000	\$ 0
Education	645,000	645,000	645,000	0
Interest on Debt				
General Government	451,368	451,368	451,371	3
Education	38,763	34,938	38,765	2
Other Debt Service				
General Government	14,646	13,000	15,735	1,089
Education	375	1,500	375	0
Total Expenditures	\$ 1,610,152	\$ 1,606,806	\$ 1,611,246	\$ 1,094
Excess (Deficiency) of Revenues Over Expenditures	\$ 195,740	\$ (507,106)	\$ 169,954	\$ 25,786
Other Financing Sources (Uses)				
Transfers In	\$ 0	\$ 681,500	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 681,500	\$ 0	\$ 0
Net Change in Fund Balance	\$ 195,740	\$ 174,394	\$ 169,954	\$ 25,786
Fund Balance, July 1, 2023	1,182,789	1,064,815	1,064,815	117,974
Fund Balance, June 30, 2024	\$ 1,378,529	\$ 1,239,209	\$ 1,234,769	\$ 143,760

CUSTODIAL FUNDS

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

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

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

HARDEMAN COUNTY, TENNESSEE
Combining Statement of Net Position
 Custodial Funds
June 30, 2024

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Custodial	Total
ASSETS			
Cash	\$ 0	\$ 2,294,034	\$ 2,294,034
Due from Other Governments	473,392	0	473,392
Total Assets	<u>\$ 473,392</u>	<u>\$ 2,294,034</u>	<u>\$ 2,767,426</u>
LIABILITIES			
Due to Other Taxing Units	\$ 473,392	\$ 0	\$ 473,392
Total Liabilities	<u>\$ 473,392</u>	<u>\$ 0</u>	<u>\$ 473,392</u>
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 2,294,034	\$ 2,294,034
Total Net Position	<u>\$ 0</u>	<u>\$ 2,294,034</u>	<u>\$ 2,294,034</u>

HARDEMAN COUNTY, TENNESSEE
Combining Statement of Changes in Net Position
 Custodial Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
Additions			
Sales Tax Collections for Other Governments	\$ 2,754,131	\$ 0	\$ 2,754,131
Fines/Fees and Other Collections	0	8,663,111	8,663,111
Total Additions	<u>\$ 2,754,131</u>	<u>\$ 8,663,111</u>	<u>\$ 11,417,242</u>
Deductions			
Payment of Sales Tax Collections for Other Governments	\$ 2,754,131	\$ 0	\$ 2,754,131
Payments to State	0	2,866,772	2,866,772
Payments to Cities, Individuals, and Others	0	5,318,091	5,318,091
Total Deductions	<u>\$ 2,754,131</u>	<u>\$ 8,184,863</u>	<u>\$ 10,938,994</u>
Change in Net Position	\$ 0	\$ 478,248	\$ 478,248
Net Position July 1, 2023	0	1,815,786	1,815,786
Net Position June 30, 2024	<u>\$ 0</u>	<u>\$ 2,294,034</u>	<u>\$ 2,294,034</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.

HARDEMAN COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Hardeman County School Department

For the Year Ended June 30, 2024

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	\$ 26,633,586	\$ 0	\$ 4,677,733	\$ 0	\$ (21,955,853)
Support Services	13,284,614	82,647	1,227,592	3,315,808	(8,658,567)
Operation of Non-instructional Services	4,985,063	123,635	3,925,283	97,781	(838,364)
Total Governmental Activities	\$ 44,903,263	\$ 206,282	\$ 9,830,608	\$ 3,413,589	\$ (31,452,784)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,077,104
Local Option Sales Taxes					3,986,243
Other Local Taxes					10,030
Grants and Contributions Not Restricted for Specific Programs					28,999,833
Unrestricted Investment Income					198,095
Miscellaneous					233,053
Total General Revenues					\$ 39,504,358
Change in Net Position					\$ 8,051,574
Net Position, July 1, 2023					39,119,011
Net Position, June 30, 2024					\$ 47,170,585

HARDEMAN COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
 Discretely Presented Hardeman County School Department
June 30, 2024

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
ASSETS				
Cash	\$ 0	\$ 0	\$ 1,159,899	\$ 1,159,899
Equity in Pooled Cash and Investments	12,969,782	456,086	4,001,769	17,427,637
Accounts Receivable	27,011	414	50	27,475
Due from Other Governments	2,150,069	1,418,925	175,939	3,744,933
Due from Other Funds	92,369	23,055	0	115,424
Due from Primary Government	0	0	14,982	14,982
Property Taxes Receivable	6,946,440	0	0	6,946,440
Allowance for Uncollectible Property Taxes	(106,336)	0	0	(106,336)
Restricted Assets	430,466	0	0	430,466
Total Assets	<u>\$ 22,509,801</u>	<u>\$ 1,898,480</u>	<u>\$ 5,352,639</u>	<u>\$ 29,760,920</u>
LIABILITIES				
Accounts Payable	\$ 276	\$ 0	\$ 0	\$ 276
Accrued Payroll	306,336	54,094	24,292	384,722
Payroll Deductions Payable	13,868	2,017	68	15,953
Due to Other Funds	23,055	92,369	0	115,424
Total Liabilities	<u>\$ 343,535</u>	<u>\$ 148,480</u>	<u>\$ 24,360</u>	<u>\$ 516,375</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 6,567,048	\$ 0	\$ 0	\$ 6,567,048
Deferred Delinquent Property Taxes	256,356	0	0	256,356
Other Deferred/Unavailable Revenue	349,713	0	0	349,713
Total Deferred Inflows of Resources	<u>\$ 7,173,117</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,173,117</u>

(Continued)

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	Other Govern-mental Funds	
FUND BALANCES				
Restricted:				
Restricted for Education	\$ 24,160	\$ 0	\$ 1,152,738	\$ 1,176,898
Restricted for Instruction	11,354	0	0	11,354
Restricted for Operation of Non-instructional Services	0	0	1,876,170	1,876,170
Restricted for Hybrid Retirement Stabilization Funds	430,466	0	0	430,466
Committed:				
Committed for Education	1,791,613	0	0	1,791,613
Committed for Capital Projects	0	0	2,299,371	2,299,371
Assigned:				
Assigned for Education	134,060	1,750,000	0	1,884,060
Unassigned	12,601,496	0	0	12,601,496
Total Fund Balances	\$ 14,993,149	\$ 1,750,000	\$ 5,328,279	\$ 22,071,428
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 22,509,801	 \$ 1,898,480	 \$ 5,352,639	 \$ 29,760,920

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, 2024

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)	\$	22,071,428	
 (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		2,567,378	
Add: buildings and improvements net of accumulated depreciation		13,830,184	
Add: other capital assets net of accumulated depreciation		<u>1,592,361</u>	18,348,039
 (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability	\$	(4,140,049)	
Less: net pension liability - agent plan		(320,752)	
Less: compensated absences payable		<u>(191,197)</u>	(4,651,998)
 (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	\$	6,479,836	
Less: deferred inflows of resources related to pensions		(518,877)	
Add: deferred outflows of resources related to OPEB		1,179,849	
Less: deferred inflows of resources related to OPEB		<u>(884,870)</u>	6,255,938
 (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	\$	107,160	
Add: net pension asset - teacher legacy pension plan		<u>4,433,949</u>	4,541,109
 (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>606,069</u>
Net position of governmental activities (Exhibit A)	\$		<u><u>47,170,585</u></u>

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, 2024

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
Revenues				
Local Taxes	\$ 10,059,886	\$ 0	\$ 0	\$ 10,059,886
Licenses and Permits	1,948	0	0	1,948
Charges for Current Services	50,865	0	123,635	174,500
Other Local Revenues	291,640	0	1,460,986	1,752,626
State of Tennessee	28,651,670	0	20,201	28,671,871
Federal Government	62,355	9,605,670	2,349,388	12,017,413
Other Governments and Citizens Groups	337,135	0	0	337,135
Total Revenues	<u>\$ 39,455,499</u>	<u>\$ 9,605,670</u>	<u>\$ 3,954,210</u>	<u>\$ 53,015,379</u>
Expenditures				
Current:				
Instruction	\$ 18,430,539	\$ 3,768,807	\$ 0	\$ 22,199,346
Support Services	13,375,097	2,306,867	0	15,681,964
Operation of Non-Instructional Services	1,036,853	42,898	3,738,368	4,818,119
Capital Outlay	73,195	3,136,185	0	3,209,380
Debt Service:				
Other Debt Service	680,590	0	0	680,590
Capital Projects	0	0	1,241,783	1,241,783
Total Expenditures	<u>\$ 33,596,274</u>	<u>\$ 9,254,757</u>	<u>\$ 4,980,151</u>	<u>\$ 47,831,182</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 5,859,225	\$ 350,913	\$ (1,025,941)	\$ 5,184,197

(Continued)

HARDEMAN COUNTY, TENNESSEE

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

Discretely Presented Hardeman County School Department (Cont.)

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
	<hr/>			
Other Financing Sources (Uses)				
Insurance Recovery	\$ 302,299	\$ 0	\$ 0	\$ 302,299
Transfers In	349,038	32,594	0	381,632
Transfers Out	(32,594)	(349,038)	0	(381,632)
Total Other Financing Sources (Uses)	<u>\$ 618,743</u>	<u>\$ (316,444)</u>	<u>\$ 0</u>	<u>\$ 302,299</u>
Net Change in Fund Balances	\$ 6,477,968	\$ 34,469	\$ (1,025,941)	\$ 5,486,496
Fund Balance, July 1, 2023	<u>8,515,181</u>	<u>1,715,531</u>	<u>6,354,220</u>	<u>16,584,932</u>
Fund Balance, June 30, 2024	<u>\$ 14,993,149</u>	<u>\$ 1,750,000</u>	<u>\$ 5,328,279</u>	<u>\$ 22,071,428</u>

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, 2024

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)		\$ 5,486,496
(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	\$ 5,167,497	
Less: current-year depreciation expense	<u>(1,703,361)</u>	3,464,136
(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, 2024	\$ 606,069	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(820,619)</u>	(214,550)
(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	\$ (292,288)	
Change in deferred outflows related to OPEB	65,403	
Change in deferred inflows related to OPEB	74,877	
Change in net pension liability - agent plan	(143,617)	
Change in net pension asset - teacher retirement plan	28,280	
Change in net pension asset - teacher legacy pension plan	(442,328)	
Change in deferred outflows related to pensions	(695,311)	
Change in deferred inflows related to pensions	746,872	
Change in compensated absences payable	<u>(26,396)</u>	<u>(684,508)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,051,574</u>

HARDEMAN COUNTY, TENNESSEE

Combining Balance Sheet - Nonmajor Governmental Funds

Discretely Presented Hardeman County School Department

June 30, 2024

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Capital Projects	
ASSETS					
Cash	\$ 7,161	\$ 1,152,738	\$ 1,159,899	\$ 0	\$ 1,159,899
Equity in Pooled Cash and Investments	1,702,398	0	1,702,398	2,299,371	4,001,769
Accounts Receivable	50	0	50	0	50
Due from Other Governments	175,939	0	175,939	0	175,939
Due from Primary Government	14,982	0	14,982	0	14,982
Total Assets	<u>\$ 1,900,530</u>	<u>\$ 1,152,738</u>	<u>\$ 3,053,268</u>	<u>\$ 2,299,371</u>	<u>\$ 5,352,639</u>
LIABILITIES					
Accrued Payroll	\$ 24,292	\$ 0	\$ 24,292	\$ 0	\$ 24,292
Payroll Deductions Payable	68	0	68	0	68
Total Liabilities	<u>\$ 24,360</u>	<u>\$ 0</u>	<u>\$ 24,360</u>	<u>\$ 0</u>	<u>\$ 24,360</u>
FUND BALANCES					
Restricted:					
Restricted for Education	\$ 0	\$ 1,152,738	\$ 1,152,738	\$ 0	\$ 1,152,738
Restricted for Operation of Non-instructional Services	1,876,170	0	1,876,170	0	1,876,170
Committed:					
Committed for Capital Projects	0	0	0	2,299,371	2,299,371
Total Fund Balances	<u>\$ 1,876,170</u>	<u>\$ 1,152,738</u>	<u>\$ 3,028,908</u>	<u>\$ 2,299,371</u>	<u>\$ 5,328,279</u>
Total Liabilities and Fund Balances	<u>\$ 1,900,530</u>	<u>\$ 1,152,738</u>	<u>\$ 3,053,268</u>	<u>\$ 2,299,371</u>	<u>\$ 5,352,639</u>

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, 2024

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Capital Projects	
Revenues					
Charges for Current Services	\$ 123,635	\$ 0	\$ 123,635	\$ 0	\$ 123,635
Other Local Revenues	171,290	1,289,696	1,460,986	0	1,460,986
State of Tennessee	20,201	0	20,201	0	20,201
Federal Government	2,349,388	0	2,349,388	0	2,349,388
Total Revenues	\$ 2,664,514	\$ 1,289,696	\$ 3,954,210	\$ 0	\$ 3,954,210
Expenditures					
Current:					
Operation of Non-Instructional Services	\$ 2,475,938	\$ 1,262,430	\$ 3,738,368	\$ 0	\$ 3,738,368
Capital Projects	0	0	0	1,241,783	1,241,783
Total Expenditures	\$ 2,475,938	\$ 1,262,430	\$ 3,738,368	\$ 1,241,783	\$ 4,980,151
Excess (Deficiency) of Revenues Over Expenditures	\$ 188,576	\$ 27,266	\$ 215,842	\$ (1,241,783)	\$ (1,025,941)
Net Change in Fund Balances	\$ 188,576	\$ 27,266	\$ 215,842	\$ (1,241,783)	\$ (1,025,941)
Fund Balance, July 1, 2023	1,687,594	1,125,472	2,813,066	3,541,154	6,354,220
Fund Balance, June 30, 2024	\$ 1,876,170	\$ 1,152,738	\$ 3,028,908	\$ 2,299,371	\$ 5,328,279

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 10,059,886	\$ 0	\$ 0	\$ 10,059,886	\$ 8,784,654	\$ 8,784,654	\$ 1,275,232
Licenses and Permits	1,948	0	0	1,948	2,500	2,500	(552)
Charges for Current Services	50,865	0	0	50,865	14,000	14,000	36,865
Other Local Revenues	291,640	0	0	291,640	74,500	94,500	197,140
State of Tennessee	28,651,670	0	0	28,651,670	29,262,650	30,805,763	(2,154,093)
Federal Government	62,355	0	0	62,355	30,000	99,125	(36,770)
Other Governments and Citizens Groups	337,135	0	0	337,135	0	309,765	27,370
Total Revenues	\$ 39,455,499	\$ 0	\$ 0	\$ 39,455,499	\$ 38,168,304	\$ 40,110,307	\$ (654,808)
Expenditures							
Instruction							
Regular Instruction Program	\$ 13,726,373	\$ 0	\$ 0	\$ 13,726,373	\$ 16,340,180	\$ 16,372,509	\$ 2,646,136
Alternative Instruction Program	284,000	0	0	284,000	368,210	368,210	84,210
Special Education Program	2,544,747	0	0	2,544,747	2,481,153	2,630,459	85,712
Career and Technical Education Program	1,875,419	(15,681)	614	1,860,352	1,726,584	2,855,085	994,733
Support Services							
Attendance	250,534	0	0	250,534	290,759	290,759	40,225
Health Services	482,553	(2,061)	0	480,492	492,874	492,874	12,382
Other Student Support	1,152,683	(1,833)	2,505	1,153,355	1,356,167	1,504,890	351,535
Regular Instruction Program	1,158,851	(298)	351	1,158,904	2,058,872	1,876,896	717,992
Special Education Program	525,522	(3,118)	0	522,404	494,812	533,311	10,907
Career and Technical Education Program	156,288	0	0	156,288	33,437	445,004	288,716
Technology	832,612	0	830	833,442	854,215	1,009,477	176,035
Other Programs	123,843	0	0	123,843	0	123,843	0
Board of Education	509,492	0	4,408	513,900	528,984	528,984	15,084
Director of Schools	490,219	(2,736)	75,431	562,914	435,779	666,796	103,882
Office of the Principal	1,992,441	0	0	1,992,441	2,029,608	2,086,234	93,793
Fiscal Services	290,930	0	0	290,930	301,846	301,846	10,916
Human Services/Personnel	231,909	0	0	231,909	300,885	252,657	20,748

(Continued)

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 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Support Services (Cont.)							
Operation of Plant	\$ 1,995,791	\$ 0	\$ 0	\$ 1,995,791	\$ 2,090,620	\$ 2,090,620	\$ 94,829
Maintenance of Plant	1,557,463	(29,645)	48,279	1,576,097	2,290,600	2,425,863	849,766
Transportation	1,623,966	0	1,642	1,625,608	2,345,818	2,401,564	775,956
Operation of Non-Instructional Services							
Early Childhood Education	1,036,853	0	0	1,036,853	1,042,531	1,040,483	3,630
Capital Outlay							
Regular Capital Outlay	73,195	(65,927)	0	7,268	0	10,000	2,732
Principal on Debt							
Education	0	0	0	0	645,000	0	0
Interest on Debt							
Education	0	0	0	0	41,500	0	0
Other Debt Service							
Education	680,590	0	0	680,590	0	686,500	5,910
Total Expenditures	\$ 33,596,274	\$ (121,299)	\$ 134,060	\$ 33,609,035	\$ 38,550,434	\$ 40,994,864	\$ 7,385,829
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,859,225	\$ 121,299	\$ (134,060)	\$ 5,846,464	\$ (382,130)	\$ (884,557)	\$ 6,731,021
Other Financing Sources (Uses)							
Insurance Recovery	\$ 302,299	\$ 0	\$ 0	\$ 302,299	\$ 0	\$ 341,280	\$ (38,981)
Transfers In	349,038	0	0	349,038	355,000	355,000	(5,962)
Transfers Out	(32,594)	0	0	(32,594)	0	(87,000)	54,406
Total Other Financing Sources	\$ 618,743	\$ 0	\$ 0	\$ 618,743	\$ 355,000	\$ 609,280	\$ 9,463
Net Change in Fund Balance	\$ 6,477,968	\$ 121,299	\$ (134,060)	\$ 6,465,207	\$ (27,130)	\$ (275,277)	\$ 6,740,484
Fund Balance, July 1, 2023	8,515,181	(121,299)	0	8,393,882	13,998,011	13,998,011	(5,604,129)
Fund Balance, June 30, 2024	\$ 14,993,149	\$ 0	\$ (134,060)	\$ 14,859,089	\$ 13,970,881	\$ 13,722,734	\$ 1,136,355

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, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 9,605,670	\$ 0	\$ 0	\$ 9,605,670	\$ 9,423,069	\$ 11,067,783	\$ (1,462,113)
Total Revenues	\$ 9,605,670	\$ 0	\$ 0	\$ 9,605,670	\$ 9,423,069	\$ 11,067,783	\$ (1,462,113)
Expenditures							
Instruction							
Regular Instruction Program	\$ 2,774,316	\$ (250,944)	\$ 0	\$ 2,523,372	\$ 2,364,509	\$ 3,041,873	\$ 518,501
Special Education Program	923,918	(3,078)	0	920,840	980,478	1,194,122	273,282
Career and Technical Education Program	70,573	0	0	70,573	80,526	70,573	0
Support Services							
Health Services	160,247	0	0	160,247	166,024	160,386	139
Other Student Support	351,360	(350)	0	351,010	456,397	410,417	59,407
Regular Instruction Program	1,038,956	0	0	1,038,956	780,764	1,411,542	372,586
Special Education Program	163,407	0	0	163,407	182,334	312,570	149,163
Technology	227,497	0	0	227,497	232,022	227,724	227
Fiscal Services	20,000	0	0	20,000	0	54,700	34,700
Human Services/Personnel	13,715	0	0	13,715	15,000	13,715	0
Maintenance of Plant	26,849	0	0	26,849	41,571	26,849	0
Transportation	304,836	0	0	304,836	708,500	339,023	34,187
Operation of Non-Instructional Services							
Community Services	42,898	0	0	42,898	0	57,065	14,167
Capital Outlay							
Regular Capital Outlay	3,136,185	(218,821)	47,086	2,964,450	3,099,466	3,429,963	465,513
Total Expenditures	\$ 9,254,757	\$ (473,193)	\$ 47,086	\$ 8,828,650	\$ 9,107,591	\$ 10,750,522	\$ 1,921,872
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 350,913	\$ 473,193	\$ (47,086)	\$ 777,020	\$ 315,478	\$ 317,261	\$ 459,759

(Continued)

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 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses)							
Transfers In	\$ 32,594	\$ 0	\$ 0	\$ 32,594	\$ 20,122	\$ 77,108	\$ (44,514)
Transfers Out	(349,038)	0	0	(349,038)	(335,594)	(394,368)	45,330
Total Other Financing Sources	<u>\$ (316,444)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (316,444)</u>	<u>\$ (315,472)</u>	<u>\$ (317,260)</u>	<u>\$ 816</u>
Net Change in Fund Balance	\$ 34,469	\$ 473,193	\$ (47,086)	\$ 460,576	\$ 6	\$ 1	\$ 460,575
Fund Balance, July 1, 2023	<u>1,715,531</u>	<u>(473,193)</u>	<u>0</u>	<u>1,242,338</u>	<u>1,715,531</u>	<u>1,715,531</u>	<u>(473,193)</u>
Fund Balance, June 30, 2024	<u>\$ 1,750,000</u>	<u>\$ 0</u>	<u>\$ (47,086)</u>	<u>\$ 1,702,914</u>	<u>\$ 1,715,537</u>	<u>\$ 1,715,532</u>	<u>\$ (12,618)</u>

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, 2024

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 123,635	\$ 0	\$ 123,635	\$ 134,779	\$ 134,779	\$ (11,144)
Other Local Revenues	171,290	0	171,290	45,000	45,000	126,290
State of Tennessee	20,201	0	20,201	22,000	22,000	(1,799)
Federal Government	2,349,388	0	2,349,388	1,914,517	1,965,007	384,381
Total Revenues	\$ 2,664,514	\$ 0	\$ 2,664,514	\$ 2,116,296	\$ 2,166,786	\$ 497,728
Expenditures						
Operation of Non-Instructional Services						
Food Service	\$ 2,475,938	\$ 2,569	\$ 2,478,507	\$ 2,294,951	\$ 2,578,511	\$ 100,004
Total Expenditures	\$ 2,475,938	\$ 2,569	\$ 2,478,507	\$ 2,294,951	\$ 2,578,511	\$ 100,004
Excess (Deficiency) of Revenues Over Expenditures	\$ 188,576	\$ (2,569)	\$ 186,007	\$ (178,655)	\$ (411,725)	\$ 597,732
Net Change in Fund Balance	\$ 188,576	\$ (2,569)	\$ 186,007	\$ (178,655)	\$ (411,725)	\$ 597,732
Fund Balance, July 1, 2023	1,687,594	0	1,687,594	1,478,595	1,478,595	208,999
Fund Balance, June 30, 2024	\$ 1,876,170	\$ (2,569)	\$ 1,873,601	\$ 1,299,940	\$ 1,066,870	\$ 806,731

MISCELLANEOUS SCHEDULES

Exhibit J-1

HARDEMAN COUNTY, TENNESSEE
Schedule of Changes in Long-term Note and Bonds
For the Year Ended June 30, 2024

<u>Description of Indebtedness</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Last Maturity Date</u>	<u>Outstanding 7-1-23</u>	<u>Paid and/or Matured During Period</u>	<u>Outstanding 6-30-24</u>
GOVERNMENTAL ACTIVITIES							
BONDS PAYABLE							
Payable through General Debt Service Fund							
General Obligation School Bonds, Series 2013	\$ 2,815,000	2 to 3 %	6-12-13	4-1-30	\$ 955,000	\$ 175,000	\$ 780,000
General Obligation Refunding Bonds, Series 2015	3,940,000	2	4-1-15	4-1-24	470,000	470,000	0
General Obligation Refunding Bonds, Series 2016	8,820,000	2 to 2.75	8-22-16	6-1-35	6,660,000	435,000	6,225,000
General Obligation Refunding Bonds, Series 2017	9,040,000	3.25 to 5	6-9-17	6-1-43	8,635,000	25,000	8,610,000
Total Bonds Payable					<u>\$ 16,720,000</u>	<u>\$ 1,105,000</u>	<u>\$ 15,615,000</u>
BUSINESS-TYPE ACTIVITIES							
NOTE PAYABLE							
Payable through Solid Waste Disposal Fund							
2021 Caterpillar Model 816-11	618,725	2.99	5-20-22	5-20-29	\$ 537,944	\$ 83,196	\$ 454,748
Total Note Payable					<u>\$ 537,944</u>	<u>\$ 83,196</u>	<u>\$ 454,748</u>

HARDEMAN COUNTY, TENNESSEE
Schedule of Long-term Debt Requirements by Year

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 15,615,000	\$ 5,592,602	\$ 21,207,602

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Note		
	Principal	Interest	Total
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	\$ 454,748	\$ 41,587	\$ 496,335

Exhibit J-3

HARDEMAN COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Hardeman County School Department

For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Highway/Public Works	Disaster Relief funds	\$ 62,164
Total Transfers Primary Government			<u>\$ 62,164</u>
DISCRETELY PRESENTED HARDEMAN COUNTY SCHOOL DEPARTMENT			
General Purpose School	School Federal Projects	Community Oriented Policing Services funds	\$ 32,594
School Federal Projects	General Purpose School	Indirect costs	<u>349,038</u>
Total Transfers Discretely Presented Hardeman County School Department			<u>\$ 381,632</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, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 104,776			
Purchasing agent supplement	3,600			
Total compensation	<u>\$ 108,376</u>			
Highway Superintendent		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 99,787</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 140,200			
Career ladder	1,000			
Total compensation	<u>\$ 141,200</u>			
Trustee		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 90,715</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 90,715</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 90,715</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 90,715</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 90,715</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 90,715</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 99,787			
Law enforcement training supplement	800			
Total compensation	<u>\$ 100,587</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.

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2024

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 3,914,309	\$ 0	\$ 0	\$ 0	\$ 310,089	\$ 4,224,398
Trustee's Collections - Prior Year	128,705	0	0	0	10,388	139,093
Trustee's Collections - Bankruptcy	1,586	0	0	0	126	1,712
Circuit Clerk/Clerk and Master Collections - Prior Years	68,125	0	0	0	5,396	73,521
Interest and Penalty	23,583	0	0	0	1,904	25,487
Payments in-Lieu-of Taxes - Other	270,180	0	0	0	73,949	344,129
County Local Option Taxes						
Local Option Sales Tax	517,337	0	0	0	0	517,337
Hotel/Motel Tax	53,027	0	0	0	0	53,027
Wheel Tax	0	0	0	791,720	723,450	1,515,170
Litigation Tax - General	90,726	0	0	0	0	90,726
Litigation Tax - Jail, Workhouse, or Courthouse	71,628	0	0	0	0	71,628
Business Tax	303,435	0	0	0	0	303,435
Statutory Local Taxes						
Bank Excise Tax	123,987	0	0	0	0	123,987
Wholesale Beer Tax	66,513	0	0	0	0	66,513
Total Local Taxes	\$ 5,633,141	\$ 0	\$ 0	791,720	\$ 1,125,302	\$ 7,550,163
Licenses and Permits						
Licenses						
Animal Registration	\$ 1,092	\$ 0	\$ 0	\$ 0	\$ 0	1,092
Cable TV Franchise	7,442	0	0	0	0	7,442
Permits						
Beer Permits	665	0	0	0	0	665
Building Permits	34,332	0	0	0	0	34,332

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
Licenses and Permits (Cont.)						
Permits (Cont.)						
Other Permits	\$ 7,350	\$ 0	\$ 0	\$ 0	\$ 0	7,350
Total Licenses and Permits	\$ 50,881	\$ 0	\$ 0	\$ 0	\$ 0	50,881
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 16,537	\$ 0	\$ 0	\$ 0	\$ 0	16,537
Officers Costs	8,497	0	0	0	0	8,497
Drug Control Fines	11,834	12,352	0	0	0	24,186
Jail Fees	1,104	0	0	0	0	1,104
DUI Treatment Fines	2,300	0	0	0	0	2,300
Data Entry Fee - Circuit Court	657	0	0	0	0	657
Courtroom Security Fee	2,446	0	0	0	0	2,446
Victims Assistance Assessments	713	0	0	0	0	713
Criminal Court						
DUI Treatment Fines	807	0	0	0	0	807
General Sessions Court						
Fines	26,802	0	0	0	0	26,802
Officers Costs	42,549	0	0	0	0	42,549
Game and Fish Fines	34	0	0	0	0	34
Drug Control Fines	21,323	20,329	0	0	0	41,652
Drug Court Fees	7,149	0	0	0	0	7,149
Jail Fees	4,312	0	0	0	0	4,312
DUI Treatment Fines	0	2,880	0	0	0	2,880
Data Entry Fee - General Sessions Court	9,690	0	0	0	0	9,690
Courtroom Security Fee	64,291	0	0	0	0	64,291
Victims Assistance Assessments	726	0	0	0	0	726

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court						
Fines	\$ 3,139	\$ 0	\$ 0	\$ 0	\$ 0	3,139
Officers Costs	573	0	0	0	0	573
Data Entry Fee - Juvenile Court	394	0	0	0	0	394
Chancery Court						
Officers Costs	2,090	0	0	0	0	2,090
Data Entry Fee - Chancery Court	3,956	0	0	0	0	3,956
Courtroom Security Fee	4,459	0	0	0	0	4,459
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	68,295	0	0	0	68,295
Total Fines, Forfeitures, and Penalties	\$ 236,382	\$ 103,856	\$ 0	\$ 0	\$ 0	340,238
Charges for Current Services						
General Service Charges						
Patient Charges	\$ 2,163,592	\$ 0	\$ 0	\$ 0	\$ 0	2,163,592
Fees						
Airport Fees	29,300	0	0	0	0	29,300
Copy Fees	348	0	0	0	0	348
Greenbelt Late Application Fee	250	0	0	0	0	250
Telephone Commissions	100,841	0	0	0	0	100,841
Additional Fees - Titling and Registration	23,765	0	0	0	0	23,765
Constitutional Officers' Fees and Commissions	0	0	409,189	0	0	409,189
Data Processing Fee - Register	7,582	0	0	0	0	7,582
Data Processing Fee - Sheriff	3,649	0	0	0	0	3,649
Sexual Offender Registration Fee - Sheriff	6,300	0	0	0	0	6,300
Data Processing Fee - County Clerk	4,411	0	0	0	0	4,411

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
Charges for Current Services (Cont.)						
Fees (Cont.)						
Vehicle Registration Reinstatement Fees	\$ 4,170	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,170
Total Charges for Current Services	\$ 2,344,208	\$ 0	\$ 409,189	\$ 0	\$ 0	\$ 2,753,397
Other Local Revenues						
Recurring Items						
Investment Income	\$ 1,323,288	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,323,288
Lease/Rentals/PPP	7,900	0	0	0	0	7,900
Commissary Sales	47,486	0	0	0	0	47,486
Sale of Gasoline	43,442	0	0	0	0	43,442
Sale of Maps	20	0	0	0	0	20
Miscellaneous Refunds	230,629	0	0	7,153	0	237,782
Nonrecurring Items						
Sale of Property	5,030	0	0	0	0	5,030
Other Local Revenues						
Other Local Revenues	41,518	0	0	65,582	0	107,100
Total Other Local Revenues	\$ 1,699,313	\$ 0	\$ 0	\$ 72,735	\$ 0	\$ 1,772,048
Fees Received From County Officials						
Excess Fees						
County Clerk	\$ 96,009	\$ 0	\$ 0	\$ 0	\$ 0	\$ 96,009
Trustee	279,948	0	0	0	0	279,948
Fees In-Lieu-of Salary						
Circuit Court Clerk	44,811	0	0	0	0	44,811
General Sessions Court Clerk	207,550	0	0	0	0	207,550
Clerk and Master	108,521	0	0	0	0	108,521

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
Fees Received From County Officials (Cont.)						
Fees In-Lieu-of Salary (Cont.)						
Juvenile Court Clerk	\$ 9,788	\$ 0	\$ 0	\$ 0	\$ 0	9,788
Register	99,049	0	0	0	0	99,049
Sheriff	13,497	0	0	0	0	13,497
Total Fees Received From County Officials	\$ 859,173	\$ 0	\$ 0	\$ 0	\$ 0	859,173
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	4,500
Airport Maintenance Program	75,780	0	0	0	0	75,780
Public Safety Grants						
Other Public Safety Grants	18,355,701	0	0	0	0	18,355,701
Health and Welfare Grants						
Health Department Programs	22,801	0	0	0	0	22,801
Other Health and Welfare Grants	49,448	0	0	0	0	49,448
Public Works Grants						
State Aid Program	0	0	0	437,893	0	437,893
Litter Program	27,434	0	0	0	0	27,434
Other State Revenues						
Beer Tax	18,498	0	0	0	0	18,498
Vehicle Certificate of Title Fees	5,006	0	0	0	0	5,006
Alcoholic Beverage Tax	100,527	0	0	0	0	100,527
Opioid Settlement Funds - TN Abatement Council	103,378	0	0	0	0	103,378
State Revenue Sharing - T.V.A.	978,366	0	0	0	0	978,366
State Revenue Sharing - Telecommunications	33,614	0	0	0	0	33,614
State Shared Sports Gaming Privilege Tax	25,785	0	0	0	0	25,785

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Contracted Prisoner Boarding	\$ 444,563	\$ 0	\$ 0	\$ 0	\$ 0	444,563
Gasoline and Motor Fuel Tax	0	0	0	2,846,418	0	2,846,418
Hybrid/Electric Vehicle Registration Fee	0	0	0	11,520	0	11,520
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	156,669	0	0	0	0	156,669
Other State Revenues	721,124	0	0	0	0	721,124
Total State of Tennessee	\$ 21,138,358	\$ 0	\$ 0	\$ 3,312,702	\$ 0	\$ 24,451,060
Federal Government						
Federal Through State						
Homeland Security Grants	\$ 7,416	\$ 0	\$ 0	\$ 0	\$ 0	7,416
Total Federal Government	\$ 7,416	\$ 0	\$ 0	\$ 0	\$ 0	7,416
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 3,500	\$ 0	\$ 0	\$ 0	\$ 680,590	684,090
Other						
Other	1,477	77	0	0	0	1,554
Opioid Settlement Funds - Past Remediation	48,147	0	0	0	0	48,147
Total Other Governments and Citizens Groups	\$ 53,124	\$ 77	\$ 0	\$ 0	\$ 680,590	\$ 733,791
Total	\$ 32,021,996	\$ 103,933	\$ 409,189	\$ 4,177,157	\$ 1,805,892	\$ 38,518,167

HARDEMAN COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Hardeman County School Department

For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 5,658,003	\$ 0	\$ 0	\$ 0	\$ 5,658,003	
Trustee's Collections - Prior Year	189,851	0	0	0	189,851	
Trustee's Collections - Bankruptcy	27,265	0	0	0	27,265	
Circuit Clerk/Clerk and Master Collections - Prior Years	77,515	0	0	0	77,515	
Interest and Penalty	34,088	0	0	0	34,088	
Payments in-Lieu-of Taxes - Other	96,299	0	0	0	96,299	
County Local Option Taxes						
Local Option Sales Tax	3,966,835	0	0	0	3,966,835	
Mixed Drink Tax	9,723	0	0	0	9,723	
Other County Local Option Taxes	307	0	0	0	307	
Total Local Taxes	\$ 10,059,886	\$ 0	\$ 0	\$ 0	\$ 10,059,886	
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 1,948	\$ 0	\$ 0	\$ 0	\$ 1,948	
Total Licenses and Permits	\$ 1,948	\$ 0	\$ 0	\$ 0	\$ 1,948	
Charges for Current Services						
General Service Charges						
Other Employee Benefit Charges/Contributions	\$ 709	\$ 0	\$ 0	\$ 0	\$ 709	
Fees						
Vending Machine Collections	10,596	0	0	0	10,596	
Education Charges						
Lunch Payments - Adults	0	0	14,588	0	14,588	

(Continued)

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		
Charges for Current Services (Cont.)						
Education Charges (Cont.)						
Income from Breakfast	\$ 0	\$ 0	\$ 3,725	\$ 0	\$ 0	\$ 3,725
A la Carte Sales	0	0	105,322	0	0	105,322
Receipts from Individual Schools	1,513	0	0	0	0	1,513
Other Charges for Services	38,047	0	0	0	0	38,047
Total Charges for Current Services	\$ 50,865	\$ 0	\$ 123,635	\$ 0	\$ 0	\$ 174,500
Other Local Revenues						
Recurring Items						
Investment Income	\$ 36,128	\$ 0	\$ 161,967	\$ 0	\$ 0	\$ 198,095
Lease/Rentals/PPP	31,782	0	0	0	0	31,782
Retirees' Insurance Payments	46,663	0	0	0	0	46,663
Cobra Insurance Payments	302	0	0	0	0	302
Miscellaneous Refunds	146,803	0	9,323	0	0	156,126
Expenditure Credits	3,271	0	0	0	0	3,271
Other Local Revenues						
Other Local Revenues	26,691	0	0	1,289,696	0	1,316,387
Total Other Local Revenues	\$ 291,640	\$ 0	\$ 171,290	\$ 1,289,696	\$ 0	\$ 1,752,626
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 123,843	\$ 0	\$ 0	\$ 0	\$ 0	\$ 123,843
State Education Funds						
Tennessee Investment in Student Achievement	25,862,943	0	0	0	0	25,862,943
TISA - On-behalf Payments	58,388	0	0	0	0	58,388

(Continued)

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		
State of Tennessee (Cont.)						
State Education Funds (Cont.)						
Early Childhood Education	\$ 1,052,102	\$ 0	\$ 0	\$ 0	\$ 0	1,052,102
School Food Service	0	0	20,201	0	0	20,201
Driver Education	9,574	0	0	0	0	9,574
Other State Education Funds	355,738	0	0	0	0	355,738
Career Ladder Program	38,719	0	0	0	0	38,719
Other Vocational	842,314	0	0	0	0	842,314
Other State Revenues						
Other State Grants	244,275	0	0	0	0	244,275
Other State Revenues	63,774	0	0	0	0	63,774
Total State of Tennessee	\$ 28,651,670	\$ 0	\$ 20,201	\$ 0	\$ 0	\$ 28,671,871
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,366,610	\$ 0	\$ 0	1,366,610
USDA - Commodities	0	0	164,517	0	0	164,517
Breakfast	0	0	564,561	0	0	564,561
USDA - Other	0	0	239,512	0	0	239,512
USDA Food Service Equipment Grant	0	0	14,188	0	0	14,188
Vocational Education - Basic Grants to States	0	83,385	0	0	0	83,385
Title I Grants to Local Education Agencies	0	1,687,317	0	0	0	1,687,317
Special Education - Grants to States	0	1,035,314	0	0	0	1,035,314
Special Education Preschool Grants	0	53,995	0	0	0	53,995
Safe and Drug-free Schools - State Grants	0	94,453	0	0	0	94,453
Rural Education	0	69,824	0	0	0	69,824

(Continued)

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	School	Central	Internal	Total	
	Purpose School	Federal Projects	Cafeteria	School		
Federal Government (Cont.)						
Federal Through State (Cont.)						
21st Century Community Learning Centers	\$ 0	\$ 44,624	\$ 0	\$ 0		44,624
Eisenhower Professional Development State Grants	0	184,593	0	0		184,593
COVID-19 Grant B	0	71,250	0	0		71,250
American Rescue Plan Act Grant #1	0	6,018,758	0	0		6,018,758
American Rescue Plan Act Grant #2	0	10,569	0	0		10,569
Other Federal through State	62,355	153,807	0	0		216,162
Direct Federal Revenue						
Other Direct Federal Revenue	0	97,781	0	0		97,781
Total Federal Government	\$ 62,355	\$ 9,605,670	\$ 2,349,388	\$ 0		\$ 12,017,413
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 309,765	\$ 0	\$ 0	\$ 0		309,765
Other						
Other	27,370	0	0	0		27,370
Total Other Governments and Citizens Groups	\$ 337,135	\$ 0	\$ 0	\$ 0		\$ 337,135
Total	\$ 39,455,499	\$ 9,605,670	\$ 2,664,514	\$ 1,289,696		\$ 53,015,379

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2024

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	26,350	
Social Security		1,634	
Employer Medicare		382	
Other Charges		8,041	
Total County Commission			\$ 36,407

Board of Equalization

Board and Committee Members Fees	\$	550	
Total Board of Equalization			550

Beer Board

Board and Committee Members Fees	\$	950	
Social Security		40	
Employer Medicare		9	
Total Beer Board			999

Budget and Finance Committee

Board and Committee Members Fees	\$	1,900	
Social Security		53	
Employer Medicare		12	
Total Budget and Finance Committee			1,965

Other Boards and Committees

Board and Committee Members Fees	\$	8,350	
Social Security		177	
Employer Medicare		41	
Total Other Boards and Committees			8,568

County Mayor/Executive

County Official/Administrative Officer	\$	104,776	
Secretary(ies)		73,553	
Part-time Personnel		450	
Social Security		10,995	
Pensions		20,019	
Employee and Dependent Insurance		31,292	
Unemployment Compensation		63	
Employer Medicare		2,571	
Communication		5,212	
Maintenance and Repair Services - Office Equipment		1,908	
Postal Charges		3,779	
Travel		2,982	
Office Supplies		3,737	
Other Supplies and Materials		985	
Other Charges		3,022	
Office Equipment		707	
Total County Mayor/Executive			266,051

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Attorney

Legal Services	\$ 683,934	
Total County Attorney		\$ 683,934

Election Commission

County Official/Administrative Officer	\$ 81,644	
Clerical Personnel	29,330	
Other Salaries and Wages	538	
Board and Committee Members Fees	4,400	
Election Workers	15,895	
Social Security	6,873	
Pensions	12,474	
Employee and Dependent Insurance	7,668	
Unemployment Compensation	42	
Employer Medicare	1,607	
Communication	1,871	
Dues and Memberships	138	
Legal Notices, Recording, and Court Costs	1,462	
Postal Charges	754	
Printing, Stationery, and Forms	7,087	
Rentals	24,000	
Travel	4,014	
Other Contracted Services	19,096	
Custodial Supplies	434	
Office Supplies	2,388	
Utilities	4,028	
Building Improvements	20,652	
Office Equipment	5,980	
Total Election Commission		252,375

Register of Deeds

County Official/Administrative Officer	\$ 90,715	
Deputy(ies)	43,994	
Part-time Personnel	17,485	
Educational Incentive - Other County Employees	1,700	
Social Security	9,467	
Pensions	15,082	
Employee and Dependent Insurance	15,453	
Unemployment Compensation	62	
Employer Medicare	2,214	
Communication	2,673	
Data Processing Services	7,416	
Dues and Memberships	135	
Maintenance Agreements	869	
Postal Charges	65	
Travel	2,357	
Office Supplies	2,792	
Total Register of Deeds		212,479

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Development

County Official/Administrative Officer	\$	37,010	
Other Salaries and Wages		14,640	
Social Security		3,200	
Pensions		5,790	
Employee and Dependent Insurance		5,909	
Unemployment Compensation		42	
Employer Medicare		748	
Communication		2,542	
Contracts with Government Agencies		14,307	
Contracts with Private Agencies		3,000	
Legal Services		2,325	
Rentals		1,130	
Travel		100	
Gasoline		1,249	
Office Supplies		438	
Other Charges		1,909	
Total Development			\$ 94,339

County Buildings

Supervisor/Director	\$	40,085	
Custodial Personnel		41,439	
Social Security		5,044	
Pensions		4,493	
Employee and Dependent Insurance		7,878	
Unemployment Compensation		105	
Employer Medicare		1,180	
Communication		1,961	
Maintenance and Repair Services - Buildings		58,018	
Maintenance and Repair Services - Equipment		19,098	
Maintenance and Repair Services - Vehicles		1,775	
Pest Control		90	
Other Contracted Services		7,095	
Custodial Supplies		3,362	
Gasoline		5,819	
Office Supplies		4	
Uniforms		1,467	
Utilities		47,109	
Other Supplies and Materials		1,507	
Other Charges		11,069	
Maintenance Equipment		380	
Motor Vehicles		48,667	
Total County Buildings			307,645

Other Facilities

Supervisor/Director	\$	23,251	
Social Security		1,442	
Pensions		2,606	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Employee and Dependent Insurance	\$	7,878	
Unemployment Compensation		21	
Employer Medicare		337	
Communication		497	
Maintenance and Repair Services - Vehicles		982	
Garage Supplies		598	
Gasoline		2,440	
Lubricants		158	
Uniforms		632	
Other Supplies and Materials		163	
Total Other Facilities			\$ 41,005

Other General Administration

Land	\$	2,532	
Total Other General Administration			2,532

Preservation of Records

Communication	\$	1,457	
Maintenance and Repair Services - Equipment		3	
Utilities		3,347	
Total Preservation of Records			4,807

Finance

Accounting and Budgeting

Accounting Services	\$	21,438	
Total Accounting and Budgeting			21,438

Purchasing

County Official/Administrative Officer	\$	3,600	
Social Security		223	
Pensions		404	
Unemployment Compensation		11	
Employer Medicare		52	
Total Purchasing			4,290

Property Assessor's Office

County Official/Administrative Officer	\$	90,715	
Educational Incentive - Other County Employees		3,300	
Social Security		5,369	
Pensions		10,150	
Employee and Dependent Insurance		7,878	
Employer Medicare		1,256	
Communication		2,268	
Data Processing Services		14,318	
Dues and Memberships		1,715	
Maintenance and Repair Services - Office Equipment		248	
Postal Charges		714	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Travel	\$	1,852	
Other Contracted Services		9,997	
Office Supplies		1,373	
Other Supplies and Materials		1,040	
Total Property Assessor's Office			\$ 152,193

Reappraisal Program

Deputy(ies)	\$	115,521	
Part-time Personnel		10,923	
Social Security		7,776	
Pensions		11,568	
Employee and Dependent Insurance		29,212	
Unemployment Compensation		116	
Employer Medicare		1,819	
Advertising		120	
Data Processing Services		3,940	
Legal Services		1,102	
Maintenance and Repair Services - Vehicles		1,087	
Postal Charges		1,631	
Travel		147	
Gasoline		2,794	
Other Supplies and Materials		325	
Total Reappraisal Program			188,081

County Trustee's Office

Social Security	\$	10,103	
Pensions		15,447	
Employee and Dependent Insurance		15,756	
Unemployment Compensation		51	
Employer Medicare		2,275	
Communication		2,223	
Maintenance and Repair Services - Office Equipment		248	
Postal Charges		7,841	
Travel		73	
Other Contracted Services		5,450	
Office Supplies		2,085	
Total County Trustee's Office			61,552

County Clerk's Office

Social Security	\$	13,873	
Pensions		23,348	
Employee and Dependent Insurance		44,197	
Unemployment Compensation		139	
Employer Medicare		3,244	
Communication		8,460	
Maintenance and Repair Services - Office Equipment		11,624	
Postal Charges		4,405	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Office Supplies	\$	2,874	
Other Supplies and Materials		202	
Office Equipment		988	
Total County Clerk's Office			\$ 113,354

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		67,589	
Clerical Personnel		129,927	
Part-time Personnel		2,263	
Jury and Witness Expense		11,960	
Social Security		17,615	
Pensions		31,187	
Employee and Dependent Insurance		52,911	
Unemployment Compensation		163	
Employer Medicare		4,120	
Communication		608	
Dues and Memberships		255	
Postal Charges		4,021	
Travel		931	
Office Supplies		7,964	
Other Charges		484	
Office Equipment		28,886	
Total Circuit Court			451,599

General Sessions Court

Judge(s)	\$	130,792	
Social Security		8,044	
Pensions		14,640	
Employee and Dependent Insurance		7,680	
Unemployment Compensation		21	
Employer Medicare		1,881	
Dues and Memberships		280	
Travel		485	
Total General Sessions Court			163,823

Chancery Court

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		94,896	
Educational Incentive - Other County Employees		4,800	
Social Security		11,760	
Pensions		20,788	
Employee and Dependent Insurance		31,492	
Unemployment Compensation		63	
Employer Medicare		2,750	
Communication		2,212	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Dues and Memberships	\$	185	
Legal Notices, Recording, and Court Costs		3,675	
Postal Charges		4,950	
Travel		1,451	
Office Supplies		4,521	
Data Processing Equipment		1,106	
Office Equipment		1,314	
Total Chancery Court			\$ 276,678

Juvenile Court

Other Salaries and Wages	\$	45,810	
Social Security		2,840	
Pensions		5,135	
Employee and Dependent Insurance		7,878	
Unemployment Compensation		21	
Employer Medicare		664	
Communication		497	
Contracts with Government Agencies		2,199	
Maintenance and Repair Services - Vehicles		3,173	
Travel		3,644	
Other Contracted Services		5,898	
Office Supplies		157	
Office Equipment		155	
Total Juvenile Court			78,071

Courtroom Security

Deputy(ies)	\$	55,791	
Overtime Pay		17	
Social Security		3,328	
Pensions		6,256	
Employee and Dependent Insurance		9,842	
Unemployment Compensation		21	
Employer Medicare		778	
Office Supplies		97	
Total Courtroom Security			76,130

Victim Assistance Programs

Other Per Diem and Fees	\$	1,000	
Total Victim Assistance Programs			1,000

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	99,787	
Assistant(s)		66,721	
Deputy(ies)		788,542	
Investigator(s)		202,072	
Salary Supplements		18,500	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Secretary(ies)	\$	139,622	
Part-time Personnel		26,926	
Overtime Pay		109,927	
In-service Training		9,502	
Social Security		89,388	
Pensions		130,423	
Employee and Dependent Insurance		183,986	
Unemployment Compensation		696	
Employer Medicare		20,905	
Communication		42,252	
Dues and Memberships		2,000	
Maintenance and Repair Services - Vehicles		76,833	
Medical and Dental Services		1,825	
Postal Charges		2,424	
Travel		7,560	
Other Contracted Services		4,812	
Gasoline		192,973	
Office Supplies		4,318	
Uniforms		13,710	
Other Supplies and Materials		12,959	
Other Charges		81,047	
Communication Equipment		14,040	
Data Processing Equipment		914	
Law Enforcement Equipment		16,214	
Motor Vehicles		15,000	
Office Equipment		5,043	
Other Equipment		2,331	
Total Sheriff's Department			\$ 2,383,252

Special Patrols

Deputy(ies)	\$	216,657	
Social Security		13,333	
Pensions		23,765	
Employee and Dependent Insurance		33,387	
Unemployment Compensation		88	
Employer Medicare		3,118	
Total Special Patrols			290,348

Workhouse

Medical Personnel	\$	76,752	
Guards		810,776	
Maintenance Personnel		36,107	
Part-time Personnel		1,249	
Overtime Pay		24,466	
Social Security		58,452	
Pensions		75,785	
Employee and Dependent Insurance		161,865	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Unemployment Compensation	\$	850	
Employer Medicare		13,670	
Communication		2,332	
Maintenance and Repair Services - Buildings		413,060	
Maintenance and Repair Services - Equipment		17,314	
Medical and Dental Services		37,424	
Travel		2,414	
Other Contracted Services		9,740	
Custodial Supplies		20,555	
Drugs and Medical Supplies		16,414	
Electricity		216,653	
Food Preparation Supplies		1,500	
Food Supplies		191,091	
Uniforms		5,969	
Other Supplies and Materials		3,615	
In Service/Staff Development		60	
Other Charges		19,563	
Building Improvements		35,390	
Office Equipment		2,315	
Total Workhouse			\$ 2,255,381

Juvenile Services

Supervisor/Director	\$	38,362	
Social Security		2,378	
Pensions		4,300	
Employee and Dependent Insurance		7,878	
Unemployment Compensation		21	
Employer Medicare		556	
Maintenance and Repair Services - Office Equipment		905	
Office Supplies		111	
Total Juvenile Services			54,511

Fire Prevention and Control

Contracts with Government Agencies	\$	186,270	
Total Fire Prevention and Control			186,270

Rural Fire Protection

Maintenance and Repair Services - Vehicles	\$	466	
Gasoline		434	
Total Rural Fire Protection			900

Civil Defense

Supervisor/Director	\$	6,021	
Part-time Personnel		1,906	
Social Security		492	
Unemployment Compensation		24	
Employer Medicare		115	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Communication	\$	1,039	
Maintenance and Repair Services - Vehicles		1,190	
Gasoline		305	
Office Supplies		10	
Other Charges		198	
Total Civil Defense			\$ 11,300

Other Emergency Management

Contracts with Government Agencies	\$	210,000	
Total Other Emergency Management			210,000

County Coroner/Medical Examiner

Other Contracted Services	\$	46,280	
Total County Coroner/Medical Examiner			46,280

Other Public Safety

Contracts with Government Agencies	\$	23,317,837	
Total Other Public Safety			23,317,837

Public Health and Welfare

Local Health Center

Communication	\$	2,671	
Contracts with Government Agencies		46,129	
Janitorial Services		19,200	
Maintenance and Repair Services - Buildings		4,632	
Postal Charges		246	
Custodial Supplies		791	
Drugs and Medical Supplies		1,772	
Utilities		12,473	
Other Supplies and Materials		1,107	
Total Local Health Center			89,021

Rabies and Animal Control

County Official/Administrative Officer	\$	38,042	
Overtime Pay		398	
Social Security		2,380	
Pensions		2,358	
Employee and Dependent Insurance		5,569	
Unemployment Compensation		58	
Employer Medicare		557	
Communication		1,033	
Maintenance and Repair Services - Buildings		1,426	
Maintenance and Repair Services - Vehicles		1,782	
Animal Food and Supplies		269	
Drugs and Medical Supplies		356	
Uniforms		248	
Utilities		3,241	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Other Supplies and Materials	\$	1,120	
Other Charges		29	
Total Rabies and Animal Control			\$ 58,866

Ambulance/Emergency Medical Services

Assistant(s)	\$	4,915	
Supervisor/Director		19,003	
Clerical Personnel		49,859	
Attendants		867,237	
Part-time Personnel		199,977	
Overtime Pay		547,533	
In-service Training		180	
Social Security		103,517	
Pensions		126,240	
Employee and Dependent Insurance		118,878	
Unemployment Compensation		861	
Employer Medicare		24,210	
Communication		5,051	
Contracts with Private Agencies		267,700	
Maintenance and Repair Services - Buildings		1,394	
Maintenance and Repair Services - Equipment		1,192	
Maintenance and Repair Services - Vehicles		27,292	
Postal Charges		303	
Custodial Supplies		2,969	
Drugs and Medical Supplies		121,672	
Gasoline		50,387	
Office Supplies		47,481	
Tires and Tubes		8,131	
Uniforms		5,984	
Utilities		15,235	
Other Charges		1,327	
Motor Vehicles		200,076	
Total Ambulance/Emergency Medical Services			2,818,604

Dental Health Program

Medical Personnel	\$	38,147	
Clerical Personnel		2,982	
Social Security		2,549	
Pensions		283	
Employee and Dependent Insurance		330	
Unemployment Compensation		21	
Employer Medicare		596	
Travel		196	
Liability Insurance		720	
Total Dental Health Program			45,824

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information

Foremen	\$	19,698	
Social Security		1,223	
Unemployment Compensation		19	
Employer Medicare		286	
Maintenance and Repair Services - Vehicles		1,386	
Gasoline		2,832	
Instructional Supplies and Materials		10,304	
Other Supplies and Materials		1,726	
Other Charges		1,605	
Total Sanitation Education/Information			\$ 39,079

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	13,700	
Other Contracted Services		104,747	
Total Libraries			118,447

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	54,772	
Social Security		3,563	
Pensions		8,711	
Employee and Dependent Insurance		3,961	
Employer Medicare		520	
Communication		3,738	
Dues and Memberships		485	
Travel		2,936	
Utilities		7,599	
Other Supplies and Materials		1,165	
Other Capital Outlay		1,761	
Total Agricultural Extension Service			89,211

Forest Service

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

Soil Conservation

Secretary(ies)	\$	30,751	
Social Security		1,907	
Pensions		3,447	
Employee and Dependent Insurance		7,550	
Unemployment Compensation		21	
Employer Medicare		446	
Dues and Memberships		500	
Travel		500	
Other Contracted Services		9,728	
Other Supplies and Materials		500	
Total Soil Conservation			55,350

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations

Industrial Development

Contracts with Other Public Agencies	\$	2,444	
Contributions		30,000	
Dues and Memberships		20	
Total Industrial Development			\$ 32,464

Other Economic and Community Development

Other Contracted Services	\$	6,000	
Total Other Economic and Community Development			6,000

Airport

Supervisor/Director	\$	31,010	
Part-time Personnel		17,445	
Social Security		3,001	
Pensions		3,476	
Employee and Dependent Insurance		7,878	
Unemployment Compensation		42	
Employer Medicare		702	
Communication		2,082	
Maintenance and Repair Services - Buildings		3,067	
Maintenance and Repair Services - Equipment		4,681	
Maintenance and Repair Services - Vehicles		32	
Custodial Supplies		288	
Gasoline		40,471	
Utilities		12,154	
Other Charges		932	
Airport Improvement		110,657	
Other Capital Outlay		1,000	
Total Airport			238,918

Veterans' Services

Secretary(ies)	\$	11,174	
Social Security		693	
Unemployment Compensation		23	
Employer Medicare		162	
Communication		1,365	
Travel		93	
Office Equipment		449	
Total Veterans' Services			13,959

Contributions to Other Agencies

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

Employee Benefits

Employee and Dependent Insurance	\$	15,399	
Disability Insurance		179,317	
Total Employee Benefits			194,716

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Audit Services	\$	10,000
Contributions		40,000
Data Processing Services		65,455
Dues and Memberships		8,230
Legal Notices, Recording, and Court Costs		1,961
Other Supplies and Materials		8,971
Liability Insurance		333,830
Trustee's Commission		149,890
Other Charges		14,938
		<hr/>

Total Miscellaneous \$ 633,275

Total General Fund \$ 36,716,579

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$	225
Communication		166
Confidential Drug Enforcement Payments		5,000
Maintenance and Repair Services - Vehicles		4,638
Towing Services		400
Travel		674
Instructional Supplies and Materials		3,488
Trustee's Commission		1,166
Other Charges		4,246
Law Enforcement Equipment		1,661
Motor Vehicles		65,209
		<hr/>

Total Drug Enforcement \$ 86,873

Total Drug Control Fund 86,873

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	170,047
Total County Trustee's Office		<hr/>
	\$	170,047

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	239,142
Total County Clerk's Office		<hr/>
		239,142

Total Constitutional Officers - Fees Fund 409,189

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	99,787
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(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Secretary(ies)	\$	42,629	
Board and Committee Members Fees		5,400	
Communication		12,801	
Data Processing Services		17,996	
Dues and Memberships		5,216	
Lease/SBITA Payments		1,608	
Legal Services		3,427	
Legal Notices, Recording, and Court Costs		702	
Maintenance and Repair Services - Office Equipment		67	
Postal Charges		422	
Travel		3,225	
Other Contracted Services		2,508	
Electricity		23,598	
Office Supplies		6,376	
Other Supplies and Materials		996	
Data Processing Equipment		6,023	
Total Administration	\$		232,781

Highway and Bridge Maintenance

Foremen	\$	320,567	
Laborers		529,820	
Part-time Personnel		18,128	
Overtime Pay		8,718	
Other Contracted Services		3,325	
Asphalt - Liquid		153,044	
Crushed Stone		152,593	
General Construction Materials		4,518	
Pipe		106,508	
Road Signs		11,519	
Wood Products		2,203	
Chemicals		15,930	
Other Supplies and Materials		966	
Total Highway and Bridge Maintenance			1,327,839

Operation and Maintenance of Equipment

Equipment and Machinery Parts	\$	194,660	
Garage Supplies		1,168	
Gasoline		165,851	
Lubricants		13,639	
Tires and Tubes		25,733	
Uniforms		11,913	
Other Supplies and Materials		936	
Total Operation and Maintenance of Equipment			413,900

Asphalt Plant Operations

Foremen	\$	19,678	
Other Contracted Services		150	

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Asphalt Plant Operations (Cont.)

Asphalt - Hot Mix	\$	23,825	
Crushed Stone		33,602	
Equipment and Machinery Parts		49,613	
Utilities		34,679	
Other Supplies and Materials		5,040	
State Aid Projects		446,499	
Total Asphalt Plant Operations			\$ 613,086

Other Charges

Liability Insurance	\$	76,640	
Trustee's Commission		36,794	
Vehicle and Equipment Insurance		570	
Total Other Charges			114,004

Employee Benefits

Social Security	\$	64,016	
Pensions		101,874	
Employee and Dependent Insurance		174,458	
Disability Insurance		59,542	
Unemployment Compensation		4,327	
Employer Medicare		14,971	
Total Employee Benefits			419,188

Capital Outlay

Bridge Construction	\$	8,006	
Building Improvements		80,566	
Communication Equipment		755	
Highway Equipment		635,653	
Total Capital Outlay			724,980

Total Highway/Public Works Fund \$ 3,845,778

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	460,000	
Total General Government			\$ 460,000

Education

Principal on Bonds	\$	645,000	
Total Education			645,000

Interest on Debt

General Government

Interest on Bonds	\$	451,368	
Total General Government			451,368

(Continued)

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)		
Interest on Debt (Cont.)		
Education		
Interest on Bonds	<u>\$ 38,763</u>	
Total Education		\$ 38,763
Other Debt Service		
General Government		
Trustee's Commission	<u>\$ 14,646</u>	
Total General Government		14,646
Education		
Other Debt Service	<u>\$ 375</u>	
Total Education		<u>375</u>
Total General Debt Service Fund		<u>\$ 1,610,152</u>
Total Governmental Funds - Primary Government		<u><u>\$ 42,668,571</u></u>

HARDEMAN COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Hardeman County School Department
For the Year Ended June 30, 2024

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	9,623,503	
Career Ladder Program		37,828	
Homebound Teachers		1,002	
Educational Assistants		402,800	
Other Salaries and Wages		31,630	
Certified Substitute Teachers		146,827	
Non-certified Substitute Teachers		63,302	
Social Security		577,083	
Pensions		722,432	
Medical Insurance		1,181,878	
Dental Insurance		59,442	
Employer Medicare		139,014	
Other Fringe Benefits		13,116	
Other Contracted Services		27,954	
Instructional Supplies and Materials		126,174	
Textbooks - Bound		391,416	
Other Supplies and Materials		3,012	
TISA - On-behalf Payments		58,388	
Other Charges		50,619	
Motor Vehicles		30,000	
Regular Instruction Equipment		38,953	
Total Regular Instruction Program			\$ 13,726,373

Alternative Instruction Program

Teachers	\$	205,989	
Educational Assistants		17,487	
Social Security		12,561	
Pensions		16,671	
Medical Insurance		26,064	
Employer Medicare		2,938	
Instructional Supplies and Materials		2,290	
Total Alternative Instruction Program			284,000

Special Education Program

Teachers	\$	1,562,296	
Homebound Teachers		12,166	
Educational Assistants		130,835	
Speech Pathologist		231,420	
Other Salaries and Wages		23,969	
Certified Substitute Teachers		3,970	
Non-certified Substitute Teachers		2,440	
Social Security		109,701	
Pensions		148,198	
Medical Insurance		192,412	
Employer Medicare		26,888	
Contracts with Private Agencies		80,959	

(Continued)

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.)

Evaluation and Testing	\$	1,011	
Maintenance and Repair Services - Equipment		500	
Instructional Supplies and Materials		10,609	
Other Supplies and Materials		2,239	
Other Charges		2,231	
Special Education Equipment		2,903	
Total Special Education Program			\$ 2,544,747

Career and Technical Education Program

Teachers	\$	842,843	
Guidance Personnel		65,914	
Certified Substitute Teachers		9,683	
Non-certified Substitute Teachers		6,825	
Social Security		52,870	
Pensions		68,453	
Medical Insurance		115,549	
Employer Medicare		12,429	
Contracts with Government Agencies		285,990	
Maintenance and Repair Services - Equipment		800	
Other Contracted Services		45,449	
Instructional Supplies and Materials		19,218	
Textbooks - Bound		24,439	
Software		20,693	
Other Supplies and Materials		31,127	
Vocational Instruction Equipment		273,137	
Total Career and Technical Education Program			1,875,419

Support Services

Attendance

Supervisor/Director	\$	79,469	
Clerical Personnel		16,106	
Other Salaries and Wages		87,805	
Social Security		9,771	
Pensions		11,391	
Medical Insurance		18,144	
Employer Medicare		2,519	
Contracts with Private Agencies		15,697	
Travel		5,603	
Office Supplies		2,267	
In Service/Staff Development		1,195	
Other Charges		70	
Attendance Equipment		497	
Total Attendance			250,534

Health Services

Supervisor/Director	\$	121,544	
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(Continued)

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.)

Medical Personnel	\$	185,189	
Other Salaries and Wages		24,336	
Social Security		17,644	
Pensions		32,865	
Medical Insurance		74,940	
Employer Medicare		4,126	
Travel		3,609	
Other Contracted Services		2,061	
Drugs and Medical Supplies		6,241	
Other Supplies and Materials		5,964	
In Service/Staff Development		1,234	
Other Equipment		2,800	
Total Health Services			\$ 482,553

Other Student Support

Guidance Personnel	\$	596,212	
Psychological Personnel		69,932	
Social Workers		181,409	
Social Security		47,674	
Pensions		57,687	
Medical Insurance		73,902	
Employer Medicare		11,671	
Travel		5,000	
In Service/Staff Development		3,000	
Other Charges		1,801	
Other Equipment		104,395	
Total Other Student Support			1,152,683

Regular Instruction Program

Supervisor/Director	\$	122,409	
Librarians		452,838	
Educational Assistants		40,022	
Other Salaries and Wages		197,435	
Social Security		46,897	
Pensions		60,394	
Medical Insurance		97,007	
Employer Medicare		10,968	
Travel		8,186	
Other Contracted Services		59,064	
Library Books/Media		27,261	
Other Supplies and Materials		821	
In Service/Staff Development		21,871	
Other Charges		12,248	
Other Equipment		1,430	
Total Regular Instruction Program			1,158,851

(Continued)

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

Supervisor/Director	\$	74,383	
Psychological Personnel		52,808	
Assessment Personnel		32,333	
Clerical Personnel		27,325	
Other Salaries and Wages		125,067	
Social Security		13,343	
Pensions		17,494	
Medical Insurance		24,337	
Employer Medicare		4,355	
Contracts with Private Agencies		92,381	
Evaluation and Testing		1,495	
Maintenance and Repair Services - Equipment		600	
Travel		4,128	
Other Contracted Services		42,365	
Other Supplies and Materials		1,871	
In Service/Staff Development		4,643	
Other Charges		924	
Other Equipment		5,670	
Total Special Education Program	\$		525,522

Career and Technical Education Program

Supervisor/Director	\$	25,090	
Other Salaries and Wages		81,274	
Social Security		6,263	
Pensions		7,243	
Medical Insurance		9,794	
Employer Medicare		1,465	
Travel		9,184	
Other Contracted Services		364	
Other Supplies and Materials		583	
In Service/Staff Development		15,028	
Total Career and Technical Education Program			156,288

Technology

Supervisor/Director	\$	93,434	
Computer Programmer(s)		70,832	
Social Security		9,344	
Pensions		15,308	
Medical Insurance		24,101	
Employer Medicare		2,185	
Laundry Service		2,010	
Maintenance and Repair Services - Equipment		67,029	
Internet Connectivity		389,085	
Travel		2,399	
Other Contracted Services		97,085	
Software		32,860	

(Continued)

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.)

Technology (Cont.)

Other Supplies and Materials	\$	5,689	
In Service/Staff Development		10,423	
Data Processing Equipment		9,924	
Other Equipment		904	
Total Technology			\$ 832,612

Other Programs

On-behalf Payments to OPEB	\$	123,843	
Total Other Programs			123,843

Board of Education

Board and Committee Members Fees	\$	20,500	
Social Security		1,122	
Medical Insurance		20,070	
Unemployment Compensation		1,503	
Employer Medicare		297	
Audit Services		28,600	
Dues and Memberships		9,684	
Legal Services		6,092	
Travel		19,529	
Other Contracted Services		3,695	
Liability Insurance		50,669	
Premiums on Corporate Surety Bonds		3,088	
Trustee's Commission		220,101	
Workers' Compensation Insurance		119,360	
In Service/Staff Development		3,244	
Other Charges		1,938	
Total Board of Education			509,492

Director of Schools

County Official/ Administrative Officer	\$	140,200	
Career Ladder Program		1,000	
Clerical Personnel		8,912	
Social Security		8,658	
Pensions		10,610	
Life Insurance		17,639	
Medical Insurance		15,203	
Employer Medicare		2,025	
Communication		64,892	
Dues and Memberships		6,447	
Postal Charges		2,354	
Travel		7,186	
Other Contracted Services		34,729	
Office Supplies		2,445	
Other Supplies and Materials		204	
In Service/Staff Development		2,624	
Other Charges		165,091	
Total Director of Schools			490,219

(Continued)

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.)

Office of the Principal

Principals	\$	783,941	
Assistant Principals		452,683	
Secretary(ies)		345,039	
Clerical Personnel		13,958	
Social Security		89,013	
Pensions		113,148	
Medical Insurance		166,244	
Employer Medicare		21,615	
Other Charges		6,800	
Total Office of the Principal			\$ 1,992,441

Fiscal Services

Supervisor/Director	\$	85,306	
Accountants/Bookkeepers		74,338	
Clerical Personnel		30,025	
Social Security		10,584	
Pensions		21,262	
Medical Insurance		32,633	
Employer Medicare		2,475	
Data Processing Services		20,383	
Dues and Memberships		750	
Travel		6,609	
Data Processing Supplies		1,797	
Office Supplies		2,413	
In Service/Staff Development		2,271	
Administration Equipment		84	
Total Fiscal Services			290,930

Human Services/Personnel

Supervisor/Director	\$	89,082	
Other Salaries and Wages		71,840	
Social Security		9,423	
Pensions		14,491	
Medical Insurance		14,071	
Employer Medicare		2,204	
Licenses		25,271	
Travel		1,503	
Office Supplies		3,274	
In Service/Staff Development		750	
Total Human Services/Personnel			231,909

Operation of Plant

Janitorial Services	\$	866,815	
Disposal Fees		38,199	
Electricity		708,809	
Natural Gas		109,163	

(Continued)

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.)

Operation of Plant (Cont.)

Water and Sewer	\$	72,214	
Boiler Insurance		5,286	
Building and Contents Insurance		195,305	
Total Operation of Plant			\$ 1,995,791

Maintenance of Plant

Supervisor/Director	\$	92,257	
Maintenance Personnel		241,999	
Social Security		19,574	
Pensions		35,999	
Medical Insurance		46,243	
Employer Medicare		4,578	
Laundry Service		8,452	
Maintenance and Repair Services - Buildings		915,386	
Maintenance and Repair Services - Equipment		48,683	
Travel		1,480	
Other Contracted Services		36,871	
General Construction Materials		44,180	
Tires and Tubes		169	
In Service/Staff Development		71	
Other Charges		897	
Maintenance Equipment		60,624	
Total Maintenance of Plant			1,557,463

Transportation

Supervisor/Director	\$	73,622	
Mechanic(s)		165,766	
Bus Drivers		629,351	
Clerical Personnel		34,347	
Other Salaries and Wages		616	
In-service Training		9,521	
Social Security		43,533	
Pensions		74,396	
Medical Insurance		35,418	
Employer Medicare		12,942	
Contracts with Parents		1,831	
Laundry Service		3,634	
Maintenance and Repair Services - Vehicles		11,929	
Medical and Dental Services		5,168	
Travel		1,562	
Other Contracted Services		7,120	
Diesel Fuel		227,642	
Garage Supplies		8,336	
Gasoline		46,917	
Lubricants		7,870	
Tires and Tubes		21,060	

(Continued)

HARDEMAN COUNTY, TENNESSEE

**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Hardeman County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle Parts	\$	55,013	
Other Supplies and Materials		11,872	
Vehicle and Equipment Insurance		44,773	
In Service/Staff Development		3,869	
Other Charges		80,589	
Transportation Equipment		5,269	
Total Transportation			\$ 1,623,966

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	47,139	
Teachers		539,960	
Educational Assistants		178,068	
Certified Substitute Teachers		1,088	
Non-certified Substitute Teachers		4,062	
Social Security		45,197	
Pensions		61,325	
Medical Insurance		75,688	
Employer Medicare		10,580	
Travel		1,400	
Instructional Supplies and Materials		9,918	
Other Supplies and Materials		10,000	
In Service/Staff Development		2,915	
Other Charges		32,654	
Other Equipment		16,859	
Total Early Childhood Education			1,036,853

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	73,195	
Total Regular Capital Outlay			73,195

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	680,590	
Total Education			680,590

Total General Purpose School Fund \$ 33,596,274

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	112,990	
Educational Assistants		111,987	
Other Salaries and Wages		562,456	
Certified Substitute Teachers		225	

(Continued)

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.)

Regular Instruction Program (Cont.)

Non-certified Substitute Teachers	\$	335	
Social Security		30,508	
Pensions		41,256	
Medical Insurance		58,377	
Employer Medicare		10,957	
Other Contracted Services		231,883	
Instructional Supplies and Materials		599,456	
Textbooks - Bound		139,352	
Software		351,092	
Other Supplies and Materials		78,849	
Regular Instruction Equipment		444,593	
Total Regular Instruction Program	\$		2,774,316

Special Education Program

Supervisor/Director	\$	50,103	
Teachers		35,953	
Educational Assistants		528,339	
Other Salaries and Wages		42,705	
Social Security		38,598	
Pensions		58,078	
Medical Insurance		92,678	
Employer Medicare		9,031	
Contracts with Private Agencies		1,350	
Other Contracted Services		11,834	
Instructional Supplies and Materials		30,058	
Other Supplies and Materials		12,703	
Other Charges		1,694	
Special Education Equipment		10,794	
Total Special Education Program			923,918

Career and Technical Education Program

Instructional Supplies and Materials	\$	15,866	
Other Supplies and Materials		5,000	
Vocational Instruction Equipment		49,707	
Total Career and Technical Education Program			70,573

Support Services

Health Services

Medical Personnel	\$	121,796	
Social Security		6,695	
Pensions		9,556	
Medical Insurance		18,666	
Employer Medicare		1,566	
Health Equipment		1,968	
Total Health Services			160,247

(Continued)

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

Guidance Personnel	\$	110,171	
Other Salaries and Wages		88,621	
Social Security		9,752	
Pensions		13,344	
Medical Insurance		30,423	
Employer Medicare		2,659	
Travel		5,912	
Other Contracted Services		60,141	
Software		7,650	
Other Supplies and Materials		17,087	
In Service/Staff Development		5,600	
Total Other Student Support	\$		351,360

Regular Instruction Program

Supervisor/Director	\$	108,380	
Clerical Personnel		32,753	
Bonus Payments		36,000	
Other Salaries and Wages		413,846	
In-service Training		10,000	
Social Security		35,621	
Pensions		41,592	
Medical Insurance		41,861	
Employer Medicare		8,282	
Other Contracted Services		72,971	
Other Supplies and Materials		59,949	
In Service/Staff Development		26,597	
Other Charges		14,895	
Other Equipment		136,209	
Total Regular Instruction Program			1,038,956

Special Education Program

Other Salaries and Wages	\$	89,644	
Social Security		2,919	
Pensions		5,773	
Medical Insurance		12,282	
Employer Medicare		1,235	
Contracts with Private Agencies		3,801	
Evaluation and Testing		3,391	
Maintenance and Repair Services - Equipment		1,023	
Travel		18,632	
Other Supplies and Materials		10,206	
In Service/Staff Development		10,972	
Other Charges		1,259	
Other Equipment		2,270	
Total Special Education Program			163,407

(Continued)

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.)

Technology

Computer Programmer(s)	\$	35,672	
Social Security		1,485	
Pensions		3,999	
Medical Insurance		12,326	
Employer Medicare		347	
Other Contracted Services		16,908	
Other Equipment		156,760	
Total Technology			\$ 227,497

Fiscal Services

Other Contracted Services	\$	20,000	
Total Fiscal Services			20,000

Human Services/Personnel

Other Contracted Services	\$	13,715	
Total Human Services/Personnel			13,715

Maintenance of Plant

Maintenance Personnel	\$	24,941	
Social Security		1,546	
Employer Medicare		362	
Total Maintenance of Plant			26,849

Transportation

Bus Drivers	\$	100,119	
Other Salaries and Wages		45,730	
Social Security		7,908	
Pensions		11,101	
Employer Medicare		2,114	
Diesel Fuel		1,740	
Transportation Equipment		136,124	
Total Transportation			304,836

Operation of Non-Instructional Services

Community Services

Teachers	\$	30,589	
Other Salaries and Wages		1,724	
Social Security		2,003	
Pensions		2,266	
Employer Medicare		469	
In Service/Staff Development		1,200	
Other Charges		4,647	
Total Community Services			42,898

(Continued)

HARDEMAN COUNTY, TENNESSEE

**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Hardeman County School Department (Cont.)

School Federal Projects Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Engineering Services	\$ 238,107	
Other Contracted Services	88,135	
Building Improvements	<u>2,809,943</u>	
Total Regular Capital Outlay		<u>\$ 3,136,185</u>

Total School Federal Projects Fund \$ 9,254,757

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 73,101	
Accountants/Bookkeepers	34,815	
Cafeteria Personnel	770,622	
Social Security	51,612	
Pensions	88,979	
Life Insurance	1,705	
Medical Insurance	93,210	
Employer Medicare	12,222	
Communication	3,967	
Dues and Memberships	546	
Maintenance and Repair Services - Equipment	14,323	
Printing, Stationery, and Forms	60	
Travel	1,660	
Disposal Fees	212	
Permits	800	
Other Contracted Services	16,057	
Electricity	29,083	
Food Supplies	995,432	
Natural Gas	2,944	
Office Supplies	7,387	
Uniforms	4,713	
Water and Sewer	5,375	
USDA - Commodities	164,517	
Other Supplies and Materials	91,494	
In Service/Staff Development	425	
Other Charges	7,559	
Food Service Equipment	<u>3,118</u>	
Total Food Service		<u>\$ 2,475,938</u>

Total Central Cafeteria Fund 2,475,938

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 1,262,430	
Total Community Services		<u>\$ 1,262,430</u>

Total Internal School Fund 1,262,430

(Continued)

HARDEMAN COUNTY, TENNESSEE

**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Hardeman County School Department (Cont.)

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Improvements

\$ 1,241,783

Total Education Capital Projects

\$ 1,241,783

Total Education Capital Projects Fund

\$ 1,241,783

Total Governmental Funds - Hardeman County School Department

\$ 47,831,182

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

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, 2024, 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 September 4, 2024. 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2024-003.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency: 2024-005.

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: 2024-001, 2024-002, and 2024-004.

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

September 4, 2024

JEM/gc





JASON E. MUMPOWER
Comptroller

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

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, 2024. 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, 2024.

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; the standards applicable to financial audits contained in *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 generally accepted auditing standards, *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 noncompliance 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 generally accepted auditing standards, *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, 2024, and the related notes to the financial statements, which collectively comprise Hardeman County's basic financial statements. We issued our report thereon dated September 4, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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

September 4, 2024

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, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 564,561
National School Lunch Program	10.555	N/A	1,562,224 (6)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	14,188
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,256
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program(Commodities - Noncash Assistance)	10.555	N/A	168,510 (6)
Fresh Fruit and Vegetable Program	10.582	N/A	36,650
Passed-through State Department of Health:			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	34360-16324	12,196
Total U.S. Department of Agriculture			<u>\$ 2,361,585</u>
U.S. Department of Justice:			
Passed-through State Department of Education:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 130,374
Total U.S. Department of Justice			<u>\$ 130,374</u>
U.S. Department of the Treasury:			
Passed-through State Department of Environment and Conservation:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)	21.027	(5)	\$ 41,000 (6)
Passed-through State Department of Education:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)	21.027	N/A	62,355 (6)
Total U.S. Department of the Treasury			<u>\$ 103,355</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,687,016
Special Education Cluster: (4)			
Special Education Grants to States	84.027	N/A	994,229 (6)
COVID 19 - Special Education Grants to States (ARP)	84.027X	N/A	14,703 (6)
Special Education Preschool Grants	84.173	N/A	53,995
Career and Technical Education -- Basic Grants to States	84.048	N/A	82,815
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	N/A	149,616
Twenty-First Century Community Learning Centers	84.287	N/A	44,624
Rural Education	84.358	N/A	104,824
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	N/A	184,593
Student Support and Academic Enrichment Program	84.424	N/A	96,655
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	123,921 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	5,934,088 (6)
Total U.S. Department of Education			<u>\$ 9,471,079</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Z-23-262615-02	\$ 49,448
Maternal and Child Health Services Block Grant to the States	93.994	34360-16324	5,839
Passed-through State Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	(5)	2,337
Total U.S. Department of Health and Human Services			<u>\$ 57,624</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	34101-20022	\$ 7,416
Total U.S. Department of Homeland Security			<u>\$ 7,416</u>
Total Expenditures of Federal Grants			<u>\$ 12,131,433</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.)

State Grants		Contract Number	
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(5)	\$ 4,500
Early Childhood Education - State Department of Education	N/A	N/A	1,052,102
Innovative School Models - State Department of Education	N/A	N/A	842,314
Public School Security Grant - State Department of Education	N/A	N/A	101,625
School Resource Officer Grant - State Department of Education	N/A	N/A	2,770
Summer Learning Camps - State Department of Education	N/A	N/A	246,428
Violent Crime Intervention Fund, Formula Based Grant - State Department of Finance and Administration	N/A	(5)	8,591
Health Department Grant - State Department of Health	N/A	34360-16324	4,766
Airport Apron Expansion Grant - State Department of Transportation	N/A	(5)	78,780
Airport Maintenance Grant - State Department of Transportation	N/A	(5)	75,780
Airport Rotating Beacon Replacement Grant - State Department of Transportation	N/A	(5)	18,800
Governor's Highway Safety Program - State Department of Transportation	N/A	(5)	2,721
Litter Program - State Department of Transportation	N/A	(5)	27,434
Supporting Postsecondary Access in Rural Communities Grant - State Higher Education Commission	N/A	(5)	139,880
Opioid Settlement Funds - Tennessee Abatement Council	N/A	(5)	103,378
Training Equipment Grant - Tennessee Corrections Institute	N/A	(5)	2,277
Total State Grants			\$ 2,712,146

ALN = Assistance Listing Number
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 \$2,331,945; Special Education Cluster total \$1,062,927.
- (5) Information not available.
- (6) Total for ALN 10.555 is \$1,730,734; Total for ALN 21.027 is \$103,355; Total for ALN 84.027 is \$1,008,932; Total for ALN 84.425 is \$6,058,009.
- (7) CONSOLIDATED ADMINISTRATION
The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 96,097
Rural Education	84.358	2,964
Supporting Effective Instruction State Grant	84.367	5,691
Student Support and Academic Enrichment Program	84.424	2,203
Total amounts consolidated for administration purposes		\$ 106,955

HARDEMAN COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2024

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, 2024.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF COUNTY MAYOR					
2023	187	2023-001	Competitive bids were not solicited for all applicable purchases.	N/A	Corrected
2023	187	2023-002	Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.	N/A	Corrected
2023	188	2023-003	The office had deficiencies in budget operations.	N/A	Part A.: Not Corrected - See Explanation on Corrective Action Plan Parts B. and C.: Corrected
2023	189	2023-004	The office had deficiencies in the administration accrued leave records.	N/A	Part A.: Not Corrected - See Explanation on Corrective Action Plan Part B.: Corrected
OFFICE OF DIRECTOR OF SCHOOLS					
2023	190	2023-005	An itemized budget and some adjustments for the General Purpose School and Central Cafeteria funds were not presented to the budget committee or the county commission.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	191	2023-006	Accounting records for accrued leave and capital assets were not closed and available for audit by August 31, 2023.	N/A	Corrected
OFFICE OF TRUSTEE					
2023	191	2023-007	The office had accounting deficiencies.	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

HARDEMAN COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553, 10.555, and 10.582 Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Fresh Fruit and Vegetable Program
 - * 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 2024-001

EXPENDITURES EXCEEDED APPROPRIATIONS IN THE GENERAL FUND

(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the county commission in three of 52 major appropriations categories (the legal level of control) of the General Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount</u>	<u>Overspent</u>
Public Safety - Fire Prevention and Control	\$	7,270
Other Operations - Employee Benefits		38,716
Other Operation - Miscellaneous		69,620

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. This deficiency exists because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures, management failed to provide sufficient oversight; management failed to correct the finding noted in the prior-year audit report; and management failed to implement their corrective action plan.

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

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

FINDING 2024-002

**THE ACCRUED LEAVE POLICY FOR HARDEMAN COUNTY
EMERGENCY MEDICAL SERVICE HAD NOT BEEN
PROPERLY APPROVED**

(Noncompliance Under *Government Auditing Standards*)

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

Accrued leave policies should be approved properly.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding. We will work with the EMS Department on getting their policies properly approved.

OFFICE OF HIGHWAY SUPERINTENDENT

FINDING 2024-003

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

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

At June 30, 2024, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments for accounts receivable and related deferred revenue totaling \$565,879 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the highway department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The highway department should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT RESPONSE – HIGHWAY SUPERINTENDENT

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2024-004

SEVERAL BUDGET AMENDMENTS POSTED IN THE GENERAL PURPOSE SCHOOL FUND WERE NOT APPROVED BY THE COUNTY COMMISSION

(Noncompliance Under *Government Auditing Standards*)

Several budget amendments posted in the General Purpose School Fund were not approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. Since the budget amendments did receive approval of the board of education, auditors did not reverse amounts that were not approved by the county commission. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because of management’s failure to provide sufficient oversight and management’s failure to correct the finding noted in the prior year audit report.

RECOMMENDATION

Budget amendments should be posted to the accounting records only after approval by the county commission.

MANAGEMENT RESPONSE – DIRECTOR OF SCHOOLS

The Hardeman County Board of Education will work to ensure that budget amendments are properly approved by the county commission.

OFFICE OF TRUSTEE

FINDING 2024-005

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

The following deficiencies were noted during our examination of the office’s accounting records. These deficiencies 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 two separate payroll clearing bank accounts and three separate tax clearing accounts for the county mayor 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 one of the trustee's bank accounts posted to the accounting records were not reconciled with the general ledger accurately during the period from July 2023 through June 2024. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly to ensure errors are identified and corrected promptly. The failure to regularly reconcile the bank accounts with accounting records is a significant deficiency that increases the risks that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – TRUSTEE

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

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, 2024.

HARDEMAN COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024

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

2024-001	Expenditures exceeded appropriations in the General Fund.	184
2024-002	The accrued leave policy for Hardeman County Emergency Medical Services had not been properly approved.	185

OFFICE OF HIGHWAY SUPERINTENDENT

2024-003	The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.	186
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OFFICE OF DIRECTOR OF SCHOOLS

2024-004	Several budget amendments posted in the General Purpose School Fund were not approved by the county commission.	187
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OFFICE OF TRUSTEE

2024-005	The office had accounting deficiencies.	188
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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

**EXPENDITURES EXCEEDED APPROPRIATIONS 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, 2025

Repeat Finding:

Yes

Reason Corrective Action was not Take in the Prior Year:

We failed to ensure the budget was amended for all expenditures.

Planned Corrective Action:

We will monitor the budget closely to prevent expenditures from exceeding appropriations.



Hardeman County

Courthouse

100 N. Main Street

PO Box 250

Bolivar, Tennessee 38008

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

Office of:
Todd Pulse, Mayor

Corrective Action Plan

FINDING

THE ACCRUED LEAVE POLICY FOR HARDEMAN COUNTY EMERGENCY MEDICAL SERVICE HAD NOT BEEN PROPERLY APPROVED

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, 2025

Repeat Finding:

Yes

Reason Corrective Action was not Take in the Prior Year:

We failed to submit the policy to the commission for approval.

Planned Corrective Action:

We will work with the EMS Department on getting their policies properly approved.

Signature

Hardeman County

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



P.O. Box 265
Bolivar, TN 38008

Corrective Action Plan

FINDING:

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

Response and Corrective Action Plan Prepared by:

Casey Swift, Highway Superintendent

Person Responsible for Implementing the Corrective Action:

Casey Swift, Highway Superintendent

Anticipated Completion Date of Corrective Action:

June 30, 2025

Repeat Finding:

No

Reason Corrective Action was not Take in the Prior Year:

N/A

Planned Corrective Action:

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

A handwritten signature in blue ink, appearing to read "Casey Swift", positioned above a horizontal line.

Casey Swift, Highway Superintendent



HARDEMAN COUNTY SCHOOLS

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

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

Corrective Action Plan

FINDING

SEVERAL BUDGET AMENDMENTS POSTED IN THE GENERAL PURPOSE SCHOOL FUND WERE NOT APPROVED BY 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, 2025

Repeat Finding:

Yes

Reason Corrective Action was not Take in the Prior Year:

We failed to present all budget amendments to the commission for approval.

Planned Corrective Action:

The Hardeman County Board of Education will work with the county commission to ensure that budget amendments are properly approved.

Signature

Phone (731) 658-5541



HARDEMAN COUNTY

SANDY HAMMONS, TRUSTEE

P.O. Box 337
Bolivar, TN 38008

Corrective Action Plan

FINDING: THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

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

Anticipated Completion Date of Corrective Action:
June 30, 2025

Repeat Finding:
Yes

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

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

Signature:



BEST PRACTICE

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

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

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

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