



ANNUAL FINANCIAL REPORT

Hartsville/Trousdale County Government, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
HARTSVILLE/TROUSDALE
COUNTY GOVERNMENT, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

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

**HARTSVILLE/TROUSDALE
COUNTY GOVERNMENT, TENNESSEE
TABLE OF CONTENTS**

	Exhibit	Page(s)
Summary of Audit Findings		7
<u>INTRODUCTORY SECTION</u>		8
Hartsville/Trousdale County Government Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	26
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	27-29
Special Purpose Fund	C-6	30
Proprietary Fund:		
Statement of Net Position	D-1	31-32
Statement of Revenues, Expenses, and Changes in Net Position	D-2	33
Statement of Cash Flows	D-3	34-35
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	36
Index and Notes to the Financial Statements		37-102
REQUIRED SUPPLEMENTARY INFORMATION:		103
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government – Metropolitan Government	F-1	104
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government – Former City of Hartsville	F-2	105

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government - Metropolitan Government	F-3	106
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government – Former City of Hartsville	F-4	107
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Hartsville/Trousdale County School Department	F-5	108
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hartsville/Trousdale County School Department	F-6	109
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Hartsville/Trousdale County School Department	F-7	110
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Hartsville/Trousdale County School Department	F-8	111
Schedule of Changes in the Total OPEB Liability and Related Ratios – Tennessee Plan - Medicare - Metropolitan Government	F-9	112
Schedule of Changes in the Total OPEB Liability and Related Ratios – Local Education Plan - Discretely Presented Hartsville/Trousdale County School Department	F-10	113
Notes to the Required Supplementary Information		114
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		115
Nonmajor Governmental Funds:		116-117
Combining Balance Sheet	G-1	118-123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	124-127
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Urban Services Fund	G-3	128-129
Solid Waste/Sanitation Fund	G-4	130
Ambulance Service Fund	G-5	131
Drug Control Fund	G-6	132
Highway/Public Works Fund	G-7	133
General Debt Service Fund	G-8	134
Education Debt Service Fund	G-9	135
Fiduciary Funds:		136
Combining Statement of Fiduciary Assets and Liabilities	H-1	137
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	138-139

	Exhibit	Page(s)
Component Unit:		
Discretely Presented Hartsville/Trousdale County School Department:		140
Statement of Activities	I-1	141
Balance Sheet – Governmental Funds	I-2	142
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	143
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	144
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	145
Combining Balance Sheet - Nonmajor Governmental Funds	I-6	146
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	I-7	147
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-8	148-149
School Federal Projects Fund	I-9	150
Central Cafeteria Fund	I-10	151
Miscellaneous Schedules:		152
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	J-1	153-154
Schedule of Long-term Debt Requirements by Year	J-2	155-156
Schedule of Transfers	J-3	157
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Hartsville/ Trousdale County School Department	J-4	158
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	159-172
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Hartsville/Trousdale County School Department	J-6	173-175
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	176-197
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Hartsville/Trousdale County School Department	J-8	198-206
Schedule of Detailed Revenue and Expenses - Proprietary Fund	J-9	207-208
 <u>STATUTORY SECTION</u>		 209
	<u>Table</u>	
Demographic and Economic Information:		
Schedule of Utility Rates	1	210
Schedule of Unaccounted for Water	2	211-212

	Page(s)
<u>SINGLE AUDIT SECTION</u>	213
Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>	214-215
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 Uniform Guidance	216-218
Schedule of Expenditures of Federal Awards and State Grants	219-220
Summary Schedule of Prior-year Findings	221
Schedule of Findings and Questioned Costs	222-225
Management's Corrective Action Plan	226-228
Best Practice	229

Summary of Audit Findings

Annual Financial Report
Hartsville/Trousdale County Government, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Hartsville/Trousdale County Government as of and for the year ended June 30, 2020.

Results

Our report on Hartsville/Trousdale County Government is unmodified.

Our audit resulted in two findings and recommendations, which we have reviewed with Hartsville/Trousdale County Government 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 SHERIFF

- ◆ Duties were not segregated adequately in the office of sheriff.
- ◆ Some funds were not deposited within three days of collection.

INTRODUCTORY SECTION

Hartsville/Trousdale County Officials
June 30, 2020

Officials

Stephen Chambers, County Mayor
Billy Scruggs, Superintendent of Roads
Clint Satterfield, Director of Schools
Cindy Carman, Trustee
Dewayne Byrd, Assessor of Property
Rita Crowder, County Clerk
Kim Taylor, Circuit, General Sessions, and Juvenile Courts Clerk
Shelly Brawner, Clerk and Master
Candice Hall, Register of Deeds
Ray Russell, Sheriff

Hartsville/Trousdale County Government Commissioners

Dwight Jewell, Chairman	David Nollner
Shane Burton	Landon Gulley
Jerry Ford	Gary Walsh
Grace Thomas	Terry Gregory
Coy Dickey	Linda Sue Johnson
Richard Harsh	Amber Russell
Gary Claridy	Ken Buckmaster
William Fergusson	Steve Whittaker
Richard Johnson	Rachel Jones
Beverly Atwood	Mary Ann Baker

Highway Commission

Stephen Chambers, County Mayor, Chairman
Billy Scruggs, Superintendent of Roads
Bobby Joe Lewis

Board of Education

Regina Waller, Chairman
Anthony Crook
Denice Jackson
John Kerr
Mary Helen McGowan

Audit Committee

Richard Harsh, Chairman
Beverly Atwood
Mary Ann Baker
Coy Dickey
Rachel Jones
Grace Thomas
Steve Whittaker

Water and Sewer Board

Mark Beeler, Chairman
Stephen Chambers, County Mayor
Todd Webber
Mark White
Craig Moreland
Dwight Jewell

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Hartsville/Trousdale County Government Mayor and
Board of Metropolitan Commissioners
Hartsville/Trousdale County, Tennessee

To the County Mayor and Board of Metropolitan Commissioners:

Report on the Financial Statements

We have audited the accompanying 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 Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the 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 Hartsville/Trousdale County Government, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Special Purpose funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hartsville/Trousdale County Government'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 Hartsville/Trousdale County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory and statutory sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Hartsville/Trousdale County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 Hartsville/Trousdale County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statutory sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021, on our consideration of Hartsville/Trousdale County Government'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 Hartsville/Trousdale County Government'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

Hartsville/Trousdale County Government's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 15, 2021

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position
June 30, 2020

	Primary Government			Component Unit
	Governmental	Business-type	Total	Hartsville/ Trousdale County School Department
	Activities	Activities		
<u>ASSETS</u>				
Cash	\$ 364	\$ 3,993,969	\$ 3,994,333	\$ 0
Equity in Pooled Cash and Investments	7,943,788	0	7,943,788	3,872,758
Accounts Receivable	171,810	349,749	521,559	490
Allowance for Uncollectibles	(14,043)	0	(14,043)	0
Due from Other Governments	10,298,385	18,237	10,316,622	426,331
Due from Other Funds - Agency	3,574	0	3,574	0
Due from Component Units	2,203,883	0	2,203,883	0
Property Taxes Receivable	5,299,411	0	5,299,411	1,679,425
Allowance for Uncollectible Property Taxes	(482,593)	0	(482,593)	(152,681)
Net Pension Asset - Agent Plans	606,704	2,356	609,060	4,355
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	1,183,867
Net Pension Asset - Teacher Retirement Plan	0	0	0	90,510
Prepaid Items	0	83,113	83,113	0
Internal Balances	21,874	(21,874)	0	0
Restricted Assets:				
Revenue Bond Future Debt Service	0	96,309	96,309	0
Amounts Accumulated for Pension Benefits	0	0	0	72,162
Capital Assets:				
Assets Not Depreciated:				
Land	1,225,244	408,043	1,633,287	719,043
Construction in Progress	417,706	433,670	851,376	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	4,890,186	10,100	4,900,286	14,399,809
Infrastructure	5,079,970	17,844,731	22,924,701	0
Other Capital Assets	2,794,520	733,857	3,528,377	793,023
Intangibles	0	0	0	27,967
Total Assets	\$ 40,460,783	\$ 23,952,260	\$ 64,413,043	\$ 23,117,059
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 524,730	\$ 79,853	\$ 604,583	\$ 209,005
Pension Changes in Assumptions	97,796	15,584	113,380	191,484
Pension Changes in Proportion	0	0	0	21,489
Pension Contributions After Measurement Date	237,062	36,008	273,070	491,293
OPEB Changes in Experience	10,907	0	10,907	175,123
OPEB Changes in Assumptions	259	0	259	9,481
OPEB Changes in Proportion	0	0	0	13,571
OPEB Benefits Paid After Measurement Date	5,435	0	5,435	28,232
Total Deferred Outflows of Resources	\$ 876,189	\$ 131,445	\$ 1,007,634	\$ 1,139,678

(Continued)

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position (Cont.)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hartsville/ Trousdale County School Department
<u>LIABILITIES</u>				
Accounts Payable	\$ 9,640,845	\$ 62,216	\$ 9,703,061	\$ 149,186
Accrued Payroll	49,098	25,522	74,620	7,829
Payroll Deductions Payable	1,080	309	1,389	409,958
Accrued Interest Payable	2,090	0	2,090	0
Due to Primary Government	0	0	0	2,203,883
Due to State of Tennessee	1,330	0	1,330	0
Due to Litigants, Heirs, and Others	314	0	314	0
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	1,200	4,000	5,200	0
Noncurrent Liabilities:				
Due Within One Year - Debt	1,243,683	96,309	1,339,992	0
Due Within One Year - Other	18,516	30,410	48,926	0
Due in More Than One Year - Debt	6,485,295	5,064,381	11,549,676	0
Due in More Than One Year - Other	288,761	0	288,761	886,177
Total Liabilities	\$ 17,732,212	\$ 5,283,147	\$ 23,015,359	\$ 3,657,033
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,691,911	\$ 0	\$ 4,691,911	\$ 1,491,668
Pension Changes in Experience	212,925	33,929	246,854	801,650
Pension Changes in Investment Earnings	205,654	20,687	226,341	380,320
Pension Changes in Proportion	0	0	0	60,906
OPEB Changes in Experience	0	0	0	101,709
OPEB Changes in Assumptions	8,245	0	8,245	96,883
OPEB Changes in Proportion	0	0	0	26,952
Total Deferred Inflows of Resources	\$ 5,118,735	\$ 54,616	\$ 5,173,351	\$ 2,960,088
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 12,351,026	\$ 14,269,711	\$ 26,620,737	\$ 15,939,842
Restricted for:				
General Government	37,445	0	37,445	0
Finance	15,271	0	15,271	0
Administration of Justice	64,880	0	64,880	0
Public Safety	143,751	0	143,751	0
Public Health and Welfare	750	0	750	0
Highway/Public Works	1,315,981	0	1,315,981	0
Debt Service	7,133	345,943	353,076	0
Capital Projects	21,684	0	21,684	0
Pensions	606,704	0	606,704	1,350,894
Education	0	0	0	357,669
Unrestricted	3,921,400	4,130,288	8,051,688	(8,789)
Total Net Position	\$ 18,486,025	\$ 18,745,942	\$ 37,231,967	\$ 17,639,616

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

Exhibit B

Hartsville/Trousdale County Government, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,055,588	\$ 279,041	\$ 45,016	\$ 63,007	\$ (668,524)	\$ 0	\$ (668,524)	\$ 0
Finance	485,649	326,469	0	0	(159,180)	0	(159,180)	0
Administration of Justice	534,778	220,941	9,000	0	(304,837)	0	(304,837)	0
Public Safety	61,227,385	58,202,729	23,116	5,000	(2,996,540)	0	(2,996,540)	0
Public Health and Welfare	2,754,700	1,029,277	346,543	0	(1,378,880)	0	(1,378,880)	0
Social, Cultural, and Recreational Services	254,230	19,927	14,993	0	(219,310)	0	(219,310)	0
Agriculture and Natural Resources	61,283	0	0	0	(61,283)	0	(61,283)	0
Highways/Public Works	2,295,304	0	1,733,907	701,140	139,743	0	139,743	0
Education	23,128	0	0	449,545	426,417	0	426,417	0
Interest on Long-term Debt	262,943	0	0	0	(262,943)	0	(262,943)	0
Total Governmental Activities	<u>\$ 68,954,988</u>	<u>\$ 60,078,384</u>	<u>\$ 2,172,575</u>	<u>\$ 1,218,692</u>	<u>\$ (5,485,337)</u>	<u>\$ 0</u>	<u>\$ (5,485,337)</u>	<u>\$ 0</u>
Business-type Activities:								
Public Utility - Water and Sewer	\$ 2,844,885	\$ 3,685,226	\$ 0	\$ 508,392	\$ 0	\$ 1,348,733	\$ 1,348,733	\$ 0
Total Business-type Activities	<u>\$ 2,844,885</u>	<u>\$ 3,685,226</u>	<u>\$ 0</u>	<u>\$ 508,392</u>	<u>\$ 0</u>	<u>\$ 1,348,733</u>	<u>\$ 1,348,733</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 71,799,873</u>	<u>\$ 63,763,610</u>	<u>\$ 2,172,575</u>	<u>\$ 1,727,084</u>	<u>\$ (5,485,337)</u>	<u>\$ 1,348,733</u>	<u>\$ (4,136,604)</u>	<u>\$ 0</u>
Component Unit:								
School Department	\$ 12,968,464	\$ 87,726	\$ 1,772,830	\$ 0	\$ 0	\$ 0	\$ 0	\$ (11,107,908)
Total Component Unit	<u>\$ 12,968,464</u>	<u>\$ 87,726</u>	<u>\$ 1,772,830</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,107,908)</u>

(Continued)

Exhibit B

Hartsville/Trousdale County Government, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,571,210	\$ 0	\$ 4,571,210	\$ 1,549,550
Property Taxes Levied for Debt Service					444,761	0	444,761	0
Local Option Sales Tax					679,966	0	679,966	804,431
Hotel/Motel Tax					137	0	137	0
Local Amusement Tax					68	0	68	0
Wheel Tax					369,889	0	369,889	0
Litigation Tax					98,442	0	98,442	0
Business Tax					67,585	0	67,585	20,689
Mixed Drink Tax					3,889	0	3,889	3,875
Adequate Facilities/Development Tax					121,294	0	121,294	0
Wholesale Beer Tax					159,798	0	159,798	0
Grants and Contributions Not Restricted for Specific Programs					295,446	0	295,446	8,315,424
Unrestricted Investment Income					177,053	47,578	224,631	2,270
Miscellaneous					4,288	18,656	22,944	10,871
Total General Revenues					\$ 6,993,826	\$ 66,234	\$ 7,060,060	\$ 10,707,110
Change in Net Position					\$ 1,508,489	\$ 1,414,967	\$ 2,923,456	\$ (400,798)
Net Position, July 1, 2019					16,977,536	17,330,975	34,308,511	18,040,414
Net Position, June 30, 2020					\$ 18,486,025	\$ 18,745,942	\$ 37,231,967	\$ 17,639,616

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

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds
June 30, 2020

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Special Purpose</u>	<u>Funds</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>	
<u>ASSETS</u>				
Cash	\$ 50	\$ 0	\$ 314	\$ 364
Equity in Pooled Cash and Investments	3,670,529	43,750	4,229,509	7,943,788
Accounts Receivable	55,853	0	115,957	171,810
Allowance for Uncollectibles	0	0	(14,043)	(14,043)
Due from Other Governments	195,234	9,415,686	687,465	10,298,385
Due from Other Funds	9,588	0	18,752	28,340
Due from Component Units	364	0	0	364
Property Taxes Receivable	3,126,270	0	2,173,141	5,299,411
Allowance for Uncollectible Property Taxes	(284,607)	0	(197,986)	(482,593)
Total Assets	<u>\$ 6,773,281</u>	<u>\$ 9,459,436</u>	<u>\$ 7,013,109</u>	<u>\$ 23,245,826</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 37,917	\$ 9,459,436	\$ 143,492	\$ 9,640,845
Accrued Payroll	6,474	0	42,624	49,098
Payroll Deductions Payable	1,080	0	0	1,080
Due to Other Funds	0	0	2,892	2,892
Due to State of Tennessee	0	0	1,330	1,330
Due to Litigants, Heirs, and Others	0	0	314	314
Current Liabilities Payable From Restricted Assets	1,200	0	0	1,200
Total Liabilities	<u>\$ 46,671</u>	<u>\$ 9,459,436</u>	<u>\$ 190,652</u>	<u>\$ 9,696,759</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,775,623	\$ 0	\$ 1,916,288	\$ 4,691,911

(Continued)

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Special Purpose</u>	<u>Other Governmental Funds</u>	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Deferred Delinquent Property Taxes	\$ 60,485	\$ 0	\$ 54,429	\$ 114,914
Other Deferred/Unavailable Revenue	40,000	0	229,726	269,726
Total Deferred Inflows of Resources	<u>\$ 2,876,108</u>	<u>\$ 0</u>	<u>\$ 2,200,443</u>	<u>\$ 5,076,551</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$ 17,277	\$ 0	\$ 0	\$ 17,277
Restricted for Finance	15,271	0	0	15,271
Restricted for Administration of Justice	64,880	0	0	64,880
Restricted for Public Safety	82,726	0	61,025	143,751
Restricted for Public Health and Welfare	750	0	0	750
Restricted for Highways/Public Works	0	0	1,188,235	1,188,235
Restricted for Capital Projects	0	0	21,684	21,684
Committed:				
Committed for General Government	0	0	1,155,018	1,155,018
Committed for Public Safety	3,410	0	0	3,410
Committed for Public Health and Welfare	0	0	1,113,271	1,113,271
Committed for Social, Cultural, and Recreational Services	86,554	0	0	86,554
Committed for Debt Service	0	0	1,028,102	1,028,102
Assigned:				
Assigned for General Government	1,405,049	0	41,282	1,446,331
Assigned for Finance	1,181	0	0	1,181
Assigned for Administration of Justice	1,327	0	0	1,327
Assigned for Public Safety	137,532	0	0	137,532
Assigned for Public Health and Welfare	6,871	0	13,397	20,268

(Continued)

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Special Purpose</u>	<u>Funds</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>	
<u>FUND BALANCES (Cont.)</u>				
Assigned (Cont.):				
Assigned for Social, Cultural, and Recreational Services	\$ 1,479	\$ 0	\$ 0	\$ 1,479
Assigned for Other Operations	15,836	0	0	15,836
Unassigned	2,010,359	0	0	2,010,359
Total Fund Balances	<u>\$ 3,850,502</u>	<u>\$ 0</u>	<u>\$ 4,622,014</u>	<u>\$ 8,472,516</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,773,281</u>	<u>\$ 9,459,436</u>	<u>\$ 7,013,109</u>	<u>\$ 23,245,826</u>

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

Hartsville/Trousdale County Government, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2020

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)		\$ 8,472,516
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,225,244	
Add: construction in progress	417,706	
Add: buildings and improvements net of accumulated depreciation	4,890,186	
Add: infrastructure net of accumulated depreciation	5,079,970	
Add: other capital assets net of accumulated depreciation	<u>2,794,520</u>	14,407,626
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (524,600)	
Less: other loans payable	(7,204,378)	
Add: debt to be contributed by the school department	2,203,519	
Less: landfill postclosure care costs	(128,502)	
Less: OPEB liability - Medicare supplement plan	(61,914)	
Less: compensated absences payable	(116,861)	
Less: accrued interest on notes	<u>(2,090)</u>	(5,834,826)
(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	\$ 859,588	
Less: deferred inflows of resources related to pensions	(418,579)	
Add: deferred outflows of resources related to OPEB	16,601	
Less: deferred inflows of resources related to OPEB	<u>(8,245)</u>	449,365
(4) Net pension assets of the county agent plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - county agent plan	\$ 14,785	
Add: net pension asset - former City of Hartsville agent plan	<u>591,919</u>	606,704
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>384,640</u>
Net position of governmental activities (Exhibit A)		<u>\$ 18,486,025</u>

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

Exhibit C-3

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Special Purpose	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 4,166,702	\$ 0	\$ 2,631,335	\$ 6,798,037
Licenses and Permits	121,864	0	72,167	194,031
Fines, Forfeitures, and Penalties	84,728	0	18,005	102,733
Charges for Current Services	46,741	0	1,004,530	1,051,271
Other Local Revenues	237,438	0	94,890	332,328
Fees Received From County Officials	513,675	0	0	513,675
State of Tennessee	480,825	57,802,020	2,492,184	60,775,029
Federal Government	239,416	0	431,218	670,634
Other Governments and Citizens Groups	24,327	0	334,150	358,477
Total Revenues	\$ 5,915,716	\$ 57,802,020	\$ 7,078,479	\$ 70,796,215
<u>Expenditures</u>				
Current:				
General Government	\$ 860,271	\$ 0	\$ 0	\$ 860,271
Finance	464,892	0	0	464,892
Administration of Justice	534,530	0	0	534,530
Public Safety	3,112,290	57,802,020	434,242	61,348,552
Public Health and Welfare	159,073	0	2,437,848	2,596,921
Social, Cultural, and Recreational Services	259,085	0	4,000	263,085
Agriculture and Natural Resources	62,188	0	0	62,188
Other Operations	409,086	0	199,467	608,553
Highways	0	0	1,756,834	1,756,834
Debt Service:				
Principal on Debt	0	0	1,212,101	1,212,101
Interest on Debt	0	0	264,096	264,096
Other Debt Service	0	0	36,325	36,325

(Continued)

Exhibit C-3

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Special Purpose	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>				
Capital Projects	\$ 0	\$ 0	\$ 517,060	\$ 517,060
Total Expenditures	\$ 5,861,415	\$ 57,802,020	\$ 6,861,973	\$ 70,525,408
<u>Excess (Deficiency) of Revenues</u>				
Over Expenditures	\$ 54,301	\$ 0	\$ 216,506	\$ 270,807
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 29,423	\$ 0	\$ 4,650	\$ 34,073
Transfers In	0	0	146,085	146,085
Transfers Out	(122,315)	0	(23,770)	(146,085)
Total Other Financing Sources (Uses)	\$ (92,892)	\$ 0	\$ 126,965	\$ 34,073
<u>Net Change in Fund Balances</u>				
Fund Balance, July 1, 2019	\$ 3,889,093	\$ 0	\$ 4,278,543	\$ 8,167,636
<u>Fund Balance, June 30, 2020</u>				
	\$ 3,850,502	\$ 0	\$ 4,622,014	\$ 8,472,516

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

Exhibit C-4

Hartsville/Trousdale County Government, 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, 2020

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)		\$ 304,880
(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 outlays purchased in the current period	\$ 976,872	
Less: current-year depreciation expense	<u>(734,980)</u>	241,892
(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		(10,162)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$ (441,028)	
Add: deferred delinquent property taxes and other deferred June 30, 2020	<u>384,640</u>	(56,388)
(4) The issuance of long-term debt (e.g., notes, other 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.		
Less: contributions from the school department for other loans payable	\$ (265,701)	
Add: principal payments on notes	191,400	
Add: principal payments on other loans	<u>1,020,701</u>	946,400
(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	\$ 1,153	
Change in landfill postclosure care costs	18,766	
Change in compensated absences	(13,631)	
Change in OPEB liability - Medicare supplement plan	(25,664)	
Change in deferred outflows of resources related to pensions	14,584	
Change in deferred inflows of resources related to pensions	217,079	
Change in deferred outflows of resources related to OPEB	13,751	
Change in deferred inflows of resources related to OPEB	39,211	
Change in net pension liability/asset - county agent plan	(185,151)	
Change in net pension liability/asset - former City of Hartsville agent plan	<u>1,769</u>	<u>81,867</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,508,489</u>

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

Exhibit C-5

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 4,166,702	\$ 0	\$ 0	\$ 4,166,702	\$ 3,829,941	\$ 3,833,173	\$ 333,529
Licenses and Permits	121,864	0	0	121,864	81,350	81,350	40,514
Fines, Forfeitures, and Penalties	84,728	0	0	84,728	88,830	88,830	(4,102)
Charges for Current Services	46,741	0	0	46,741	41,625	41,625	5,116
Other Local Revenues	237,438	0	0	237,438	137,028	144,478	92,960
Fees Received From County Officials	513,675	0	0	513,675	503,000	503,000	10,675
State of Tennessee	480,825	0	0	480,825	827,334	358,537	122,288
Federal Government	239,416	0	0	239,416	117,000	664,627	(425,211)
Other Governments and Citizens Groups	24,327	0	0	24,327	15,000	17,000	7,327
Total Revenues	\$ 5,915,716	\$ 0	\$ 0	\$ 5,915,716	\$ 5,641,108	\$ 5,732,620	\$ 183,096
Expenditures							
General Government							
County Commission	\$ 75,915	\$ 0	\$ 857	\$ 76,772	\$ 77,717	\$ 84,194	\$ 7,422
Beer Board	0	0	0	0	423	423	423
County Mayor/Executive	256,395	(23)	362	256,734	273,241	272,241	15,507
County Attorney	28,694	0	0	28,694	30,100	35,100	6,406
Election Commission	104,959	(840)	2,062	106,181	126,951	126,951	20,770
Register of Deeds	108,668	(37)	573	109,204	112,795	112,795	3,591
Planning	73,922	(147)	555	74,330	91,931	91,931	17,601
Codes Compliance	147	0	0	147	1,500	1,500	1,353
County Buildings	208,703	(472)	4,067	212,298	227,368	240,097	27,799
Preservation of Records	2,868	(174)	167	2,861	2,365	4,365	1,504
Finance							
Property Assessor's Office	132,781	(15)	70	132,836	137,378	137,378	4,542
County Trustee's Office	132,714	0	0	132,714	137,038	137,038	4,324
County Clerk's Office	130,946	0	1,111	132,057	130,977	134,027	1,970
Data Processing	68,451	(6,480)	0	61,971	80,614	80,614	18,643
Administration of Justice							
Circuit Court	177,509	(54)	317	177,772	200,800	200,800	23,028

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
General Sessions Court	\$ 94,434	\$ 0	\$ 0	\$ 94,434	\$ 98,399	\$ 98,399	\$ 3,965
Chancery Court	126,132	0	861	126,993	128,312	128,312	1,319
Judicial Commissioners	29,473	(75)	150	29,548	33,383	33,383	3,835
Courtroom Security	106,982	0	0	106,982	147,949	147,949	40,967
<u>Public Safety</u>							
Sheriff's Department	1,268,196	(15,170)	104,672	1,357,698	1,482,098	1,493,864	136,166
Drug Enforcement	64,310	0	0	64,310	71,502	71,502	7,192
Administration of the Sexual Offender Registry	402	0	0	402	6,400	6,400	5,998
Jail	1,018,941	(4,193)	11,066	1,025,814	1,105,544	1,105,544	79,730
Workhouse	118,940	0	8,087	127,027	87,934	134,934	7,907
Juvenile Services	42,471	0	0	42,471	48,967	48,967	6,496
Fire Prevention and Control	393,886	(17,641)	9,104	385,349	375,720	398,240	12,891
Rescue Squad	75,387	(15,757)	3,680	63,310	72,080	76,530	13,220
Other Emergency Management	105,786	(1,593)	923	105,116	100,600	115,100	9,984
Inspection and Regulation	123	0	0	123	1,500	1,500	1,377
County Coroner/Medical Examiner	23,848	0	0	23,848	40,200	40,200	16,352
<u>Public Health and Welfare</u>							
Local Health Center	23,399	0	39	23,438	32,589	32,589	9,151
Rabies and Animal Control	60,793	(3,231)	424	57,986	58,140	61,140	3,154
Alcohol and Drug Programs	2,531	(1,466)	600	1,665	8,980	8,980	7,315
Other Local Health Services	22,798	0	0	22,798	10,270	22,896	98
Sanitation Education/Information	40,052	(2,927)	5,807	42,932	44,200	44,200	1,268
Other Public Health and Welfare	9,500	0	0	9,500	9,500	9,500	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	41,288	(114)	87	41,261	43,570	44,070	2,809
Libraries	120,339	(10)	894	121,223	123,045	123,045	1,822
Parks and Fair Boards	97,458	(2,898)	498	95,058	170,594	170,594	75,536
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	48,961	(609)	0	48,352	50,554	50,054	1,702

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Soil Conservation	\$ 13,227	\$ 0	\$ 0	\$ 13,227	\$ 13,228	\$ 13,228	\$ 1
<u>Other Operations</u>							
Other Economic and Community Development	63,820	(40)	1,675	65,455	516,755	516,755	451,300
Veterans' Services	12,555	0	191	12,746	18,424	18,424	5,678
Other Charges	309,199	(14,461)	13,970	308,708	338,600	338,600	29,892
Employee Benefits	4,510	0	0	4,510	10,500	10,500	5,990
Miscellaneous	19,002	0	0	19,002	18,650	19,003	1
Total Expenditures	\$ 5,861,415	\$ (88,427)	\$ 172,869	\$ 5,945,857	\$ 6,899,385	\$ 7,043,856	\$ 1,097,999
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,301	\$ 88,427	\$ (172,869)	\$ (30,141)	\$ (1,258,277)	\$ (1,311,236)	\$ 1,281,095
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 29,423	\$ 0	\$ 0	\$ 29,423	\$ 0	\$ 14,410	\$ 15,013
Transfers Out	(122,315)	0	0	(122,315)	(122,316)	(122,316)	1
Total Other Financing Sources	\$ (92,892)	\$ 0	\$ 0	\$ (92,892)	\$ (122,316)	\$ (107,906)	\$ 15,014
Net Change in Fund Balance	\$ (38,591)	\$ 88,427	\$ (172,869)	\$ (123,033)	\$ (1,380,593)	\$ (1,419,142)	\$ 1,296,109
Fund Balance, July 1, 2019	3,889,093	(88,427)	0	3,800,666	3,690,802	3,690,802	109,864
Fund Balance, June 30, 2020	\$ 3,850,502	\$ 0	\$ (172,869)	\$ 3,677,633	\$ 2,310,209	\$ 2,271,660	\$ 1,405,973

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

Exhibit C-6

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 57,802,020	\$ 50,000,000	\$ 57,802,020	\$ 0
Total Revenues	\$ 57,802,020	\$ 50,000,000	\$ 57,802,020	\$ 0
<u>Expenditures</u>				
<u>Public Safety</u>				
Other Public Safety	\$ 57,802,020	\$ 50,000,000	\$ 57,802,020	\$ 0
Total Expenditures	\$ 57,802,020	\$ 50,000,000	\$ 57,802,020	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2019	0	43,750	43,750	(43,750)
Fund Balance, June 30, 2020	\$ 0	\$ 43,750	\$ 43,750	\$ (43,750)

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

Exhibit D-1

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2020

	<u>Business-type Activities Major Enterprise Fund Water and Sewer Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 3,993,969
Accounts Receivable	349,749
Due from Other Governments	18,237
Prepaid Items	83,113
Total Current Assets	<u>\$ 4,445,068</u>
Noncurrent Assets:	
Restricted Assets:	
Revenue Bond Future Debt Service	\$ 96,309
Net Pension Asset	2,356
Capital Assets (Net of Accumulated Depreciation):	
Land	408,043
Construction in Progress	433,670
Buildings and Improvements	10,100
Infrastructure	17,844,731
Other Capital Assets	733,857
Total Noncurrent Assets	<u>\$ 19,529,066</u>
Total Assets	<u>\$ 23,974,134</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 79,853
Pension Changes in Assumptions	15,584
Pension Contributions After Measurement Date	36,008
Total Deferred Outflows of Resources	<u>\$ 131,445</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 62,216
Accrued Payroll	25,522
Payroll Deductions Payable	309
Compensated Absences Payable	30,410
Due to Other Funds	21,874
Revenue Bonds Payable	96,309
Customer Deposits Payable	4,000
Total Current Liabilities	<u>\$ 240,640</u>
Noncurrent Liabilities:	
Revenue Bonds Payable	\$ 5,064,381
Total Noncurrent Liabilities	<u>\$ 5,064,381</u>
Total Liabilities	<u>\$ 5,305,021</u>

(Continued)

Exhibit D-1

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position
Proprietary Fund (Cont.)

	Business-type Activities
	<u>Major Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 33,929
Pension Changes in Investment Earnings	<u>20,687</u>
Total Deferred Inflows of Resources	<u>\$ 54,616</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 14,269,711
Restricted for Rural Development Bond Covenants	345,943
Unrestricted	<u>4,130,288</u>
Total Net Position	<u>\$ 18,745,942</u>

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

Exhibit D-2

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2020

	Business-type Activities
	Major Enterprise Fund
	Water and Sewer Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 3,653,811
Other Local Revenues	6,600
Total Operating Revenues	<u>\$ 3,660,411</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 2,051,819
Depreciation Expense	688,617
Total Operating Expenses	<u>\$ 2,740,436</u>
Operating Income (Loss)	<u>\$ 919,975</u>
<u>Nonoperating Revenues (Expenses)</u>	
Grant Income	\$ 280,144
Investment Income	47,578
Interest Expense	(104,449)
Damages Recovered from Individuals	12,056
Contributions and Gifts	228,248
Total Nonoperating Revenues (Expenses)	<u>\$ 463,577</u>
Income (Loss) Before Contributions	\$ 1,383,552
Capital Contributions	31,415
Change in Net Position	<u>\$ 1,414,967</u>
Net Position, July 1, 2019	<u>17,330,975</u>
Net Position, June 30, 2020	<u><u>\$ 18,745,942</u></u>

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

Exhibit D-3

Hartsville/Trousdale County Government, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	Business-type Activities
	<u>Major Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 3,644,828
Payments to Suppliers	(1,194,221)
Payments to Employees	(880,148)
Other Receipts (Payments)	4,941
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,575,400</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital Contributions	\$ 31,415
Acquisition of Capital Assets	(997,301)
Principal Paid on Capital Debt	(94,415)
Interest Paid on Capital Debt	(104,449)
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>\$ (1,164,750)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received	\$ 280,144
Damages Recovered from Individuals	12,056
Contributions	228,248
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 520,448</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 47,578
Net Cash Provided By (Used In) Investing Activities	<u>\$ 47,578</u>
Net Increase (Decrease) in Cash	\$ 978,676
Cash, July 1, 2019	<u>3,111,602</u>
Cash, June 30, 2020	<u>\$ 4,090,278</u>

(Continued)

Exhibit D-3

Hartsville/Trousdale County Government, Tennessee
Statement of Cash Flows
Proprietary Fund (Cont.)

	Business-type Activities
	<u>Major Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 919,975
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	688,617
Changes in deferred inflows of resources related to pensions	463
Changes in deferred outflows of resources related to pensions	(21,536)
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	2,286
(Increase) Decrease in Due From Other Funds	368
(Increase) Decrease in Due From Other Governments	(18,237)
(Increase) Decrease in Prepaid Items	(3,410)
(Increase) Decrease in Net Pension Asset	26,014
Increase (Decrease) in Accounts Payable	(15,651)
Increase (Decrease) in Payroll Deductions Payable	309
Increase (Decrease) in Accrued Payroll	10,385
Increase (Decrease) in Due to Other Funds	1,680
Increase (Decrease) in Due to State of Tennessee	(18,451)
Increase (Decrease) in Compensated Absences	2,588
	<hr/>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,575,400</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash and Cash Equivalents Per Net Position	\$ 3,993,969
Revenue Bond Future Debt Service Account Per Net Position	<u>96,309</u>
	<hr/>
Cash, June 30, 2020	<u>\$ 4,090,278</u>

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

Exhibit E

Hartsville/Trousdale County Government, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 714,358
Equity in Pooled Cash and Investments	548,485
Accounts Receivable	7,650
Due from Other Governments	<u>13,000</u>
Total Assets	<u><u>\$ 1,283,493</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 4,394
Due to Other Funds	3,574
Due to Litigants, Heirs, and Others	856,762
Due to Joint Ventures	<u>418,763</u>
Total Liabilities	<u><u>\$ 1,283,493</u></u>

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

**HARTSVILLE/TROUSDALE COUNTY
GOVERNMENT, TENNESSEE
Index of Notes to the Financial Statements**

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	38
B. Government-wide and Fund Financial Statements	39
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	42
2. Receivables and Payables	44
3. Prepaid Items	45
4. Restricted Assets	45
5. Capital Assets	45
6. Deferred Outflows/Inflows of Resources	46
7. Compensated Absences	47
8. Long-term Debt and Long-term Obligations	47
9. Net Position and Fund Balance	48
E. Pension Plans	50
F. Other Postemployment Benefits (OPEB) Plans	50
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	51
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	51
III. Stewardship, Compliance, and Accountability	
Budgetary Information	51
IV. Detailed Notes on All Funds	
A. Deposits and Investments	52
B. Capital Assets	58
C. Interfund Receivables, Payables, and Transfers	61
D. Long-term Debt	62
E. Long-term Obligations	68
F. On-Behalf Payments	70
V. Other Information	
A. Risk Management	70
B. Contingent Liabilities	71
C. Landfill Postclosure Care Costs	71
D. Joint Venture	72
E. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	72
2. Deferred Compensation	92
F. Other Postemployment Benefits (OPEB)	93
G. Pollution Remediation	101
H. Purchasing Laws	102
I. Subsequent Event	102

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hartsville/Trousdale County Government's (the metropolitan government) 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 the metropolitan government:

A. Reporting Entity

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

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

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

The Trousdale County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Trousdale County, and the metropolitan 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 metropolitan commission's

approval. The financial statements of the Trousdale County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The school department does not issue separate financial statements from those of the metropolitan government. 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 Trousdale County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Trousdale County Emergency
Communications District
210 Broadway
Hartsville, TN 37074

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 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.

The metropolitan government issues all debt for the discretely presented school department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2020.

Separate financial statements are provided for governmental funds, proprietary funds, 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, except for agency funds, which have no measurement focus. 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 the metropolitan government are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary fund categories. The metropolitan government only reports one proprietary fund, a major enterprise fund.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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 metropolitan government 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. The metropolitan government considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts

have been accumulated in the debt service funds for payments to be made early in the following year.

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

Proprietary funds and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no 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.

The metropolitan government reports the following major governmental funds:

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

Special Purpose Fund – This special revenue fund accounts for prisoner boarding revenues from the State of Tennessee and contracted expenditures remitted to the Corrections Corporation of America.

The metropolitan government reports the following major proprietary fund:

Water and Sewer Fund – This fund accounts for transactions of the metropolitan government’s water and sewer department.

Additionally, the metropolitan government reports the following fund types:

Debt Service Funds – These funds account for the resources accumulated and payments made for principal and interest on long-term general obligation and education debt of governmental funds.

Capital Projects Funds – These funds account for the financial resources to be used for the acquisition or construction of major capital resources.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, state grants and other restricted revenues held for the benefit of the Fifteenth Judicial District Drug Task Force, and restricted revenues held for the benefit of the

Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented school department reports the following major governmental fund:

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.

Additionally, the school department reports the following fund type:

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

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 metropolitan government has one proprietary fund, an enterprise fund, used to account for the transactions of the water and sewer department. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the enterprise fund are customer fees for water and sewer usage. Operating expenses for the enterprise fund consist primarily of operation and maintenance of the department.

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 demand deposits, including cash restricted for future debt service.

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 metropolitan government's own legally issued bonds or notes.

The metropolitan trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented 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 and General Debt Service funds. The metropolitan government 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. The metropolitan government had no investments in

the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

Activity between funds for remitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with the metropolitan government for building rentals (\$1,200) and the enterprise fund for water taps (\$4,000).

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the enterprise fund. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased.

4. Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants. The Revenue Bond Future Debt Service account is used to report resources set aside to comply with those covenants.

Restricted assets also consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the 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 school department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the school department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. Capital Assets

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

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, and similar items), and intangibles (e.g., computer software 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 (school department \$10,000) or more and an estimated useful life of more than one (school department three) year(s). 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, infrastructure, and intangibles of the metropolitan 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	7 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads	20 - 50
Bridges	75
Water and Sewage Lines	40 - 50
Intangibles	12

6. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The metropolitan 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 revenues are from the following sources: current and

delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportion, other postemployment benefits changes in experience, other postemployment benefits changes in assumptions, other postemployment benefits changes in proportion, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. **Compensated Absences**

Primary Government

It is the metropolitan government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the metropolitan government does not have 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 and the proprietary fund for the metropolitan government. 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.

Discretely Presented School Department

The school department does not allow for the accumulation of unused vacation and sick days beyond year-end, except for professional personnel of the school department. The school department allows professional personnel (teachers) to accumulate an unlimited amount of unused sick leave. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

8. **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 amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

9. 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.

As of June 30, 2020, the metropolitan government had \$5,672,378 in outstanding debt for capital purposes for the discretely presented school department. This debt is a liability of the metropolitan government, but the capital assets acquired are reported in the financial statements of the school department. Therefore, the metropolitan government has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the metropolitan government's capital assets.

It is the metropolitan government'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 metropolitan government'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 metropolitan commission, the metropolitan government'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 metropolitan government's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The metropolitan commission has authorized by resolution the metropolitan government's Finance/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.

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

Discretely Presented School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented 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 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 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 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

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 (Special Revenue Fund), which is not budgeted, and the General Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

The metropolitan government 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 metropolitan 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, Beer Board, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the metropolitan commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2020, the metropolitan government had the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Fund:	
General	\$ 172,869
Nonmajor Funds:	
Urban Services	41,282
Solid/Waste Sanitation	3,000
Ambulance Service	10,397

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The metropolitan government and the discretely presented school department participate in an internal cash and investment pool through the Office of Trustee. The metropolitan trustee is the treasurer of the metropolitan government and in this capacity is responsible for receiving, disbursing, and investing most metropolitan government 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 two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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 metropolitan government's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The metropolitan government 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 metropolitan government 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 metropolitan government at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The metropolitan government had no pooled and nonpooled investments as of June 30, 2020.

TCRS Stabilization Trust

Legal Provisions. The 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 school department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary

information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

On June 30, 2020, the school department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 22,371
Developed Market International Equity	N/A	N/A	10,103
Emerging Market International Equity	N/A	N/A	2,886
U.S. Fixed Income	N/A	N/A	14,432
Real Estate	N/A	N/A	7,216
Short-term Securities	N/A	N/A	722
NAV - Private Equity and Strategic Lending	N/A	N/A	14,432
Total			\$ 72,162

Investment by Fair Value Level	Fair Value Measurements Using				NAV
	Fair Value 6-30-20	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 22,371	\$ 22,371	\$ 0	\$ 0	0
Developed Market					
International Equity	10,103	10,103	0	0	0
Emerging Market					
International Equity	2,886	2,886	0	0	0
U.S. Fixed Income	14,432	0	14,432	0	0
Real Estate	7,216	0	0	7,216	0
Short-term Securities	722	0	722	0	0
Private Equity and Strategic Lending	14,432	0	0	0	14,432
Total	\$ 72,162	\$ 35,360	\$ 15,154	\$ 7,216	14,432

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The school department does not have the ability to limit trust 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. The school department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the metropolitan government's investment in a single issuer. The school department places no limit on the amount the metropolitan government may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the metropolitan government will not be able to recover the value of its investments or collateral

securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the school department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government – Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 1,225,244	\$ 0	\$ 0	\$ 1,225,244
Construction in Progress	0	417,706	0	417,706
Total Capital Assets Not Depreciated	\$ 1,225,244	\$ 417,706	\$ 0	\$ 1,642,950
Capital Assets Depreciated:				
Buildings and Improvements	\$ 6,256,217	\$ 0	\$ 0	\$ 6,256,217
Infrastructure	16,257,726	0	0	16,257,726
Other Capital Assets	7,734,609	559,166	(193,244)	8,100,531
Total Capital Assets Depreciated	\$ 30,248,552	\$ 559,166	\$ (193,244)	\$ 30,614,474
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,218,117	\$ 147,914	\$ 0	\$ 1,366,031
Infrastructure	11,019,873	157,883	0	11,177,756
Other Capital Assets	5,059,910	429,183	(183,082)	5,306,011
Total Accumulated Depreciation	\$ 17,297,900	\$ 734,980	\$ (183,082)	\$ 17,849,798
Total Capital Assets Depreciated, Net	\$ 12,950,652	\$ (175,814)	\$ (10,162)	\$ 12,764,676
Governmental Activities Capital Assets, Net	\$ 14,175,896	\$ 241,892	\$ (10,162)	\$ 14,407,626

Business-type Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 408,043	\$ 0	\$ 0	\$ 408,043
Construction in Progress	131,781	520,503	(218,614)	433,670
Total Capital Assets Not Depreciated	<u>\$ 539,824</u>	<u>\$ 520,503</u>	<u>\$ (218,614)</u>	<u>\$ 841,713</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 26,000	\$ 0	\$ 0	\$ 26,000
Infrastructure	28,325,914	318,160	0	28,644,074
Other Capital Assets	1,145,799	377,252	0	1,523,051
Total Capital Assets Depreciated	<u>\$ 29,497,713</u>	<u>\$ 695,412</u>	<u>\$ 0</u>	<u>\$ 30,193,125</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 10,081	\$ 5,819	\$ 0	\$ 15,900
Infrastructure	10,270,991	528,352	0	10,799,343
Other Capital Assets	634,748	154,446	0	789,194
Total Accumulated Depreciation	<u>\$ 10,915,820</u>	<u>\$ 688,617</u>	<u>\$ 0</u>	<u>\$ 11,604,437</u>
Total Capital Assets Depreciated, Net	<u>\$ 18,581,893</u>	<u>\$ 6,795</u>	<u>\$ 0</u>	<u>\$ 18,588,688</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,121,717</u>	<u>\$ 527,298</u>	<u>\$ (218,614)</u>	<u>\$ 19,430,401</u>

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

Governmental Activities:

General Government	\$ 109,875
Finance	23,533
Administration of Justice	735
Public Safety	194,518
Public Health and Welfare	170,699
Social, Cultural, and Recreational Services	38,246
Highways/Public Works	<u>197,374</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 734,980</u>

Business-type Activities:

Water and Sewer	<u>\$ 688,617</u>
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Discretely Presented School Department- Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 689,883	\$ 29,160	\$ 0	\$ 719,043
Construction in Progress	40,000	160,000	(200,000)	0
Total Capital Assets Not Depreciated	<u>\$ 729,883</u>	<u>\$ 189,160</u>	<u>\$ (200,000)</u>	<u>\$ 719,043</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 25,582,035	\$ 256,442	\$ 0	\$ 25,838,477
Other Capital Assets	1,652,179	251,247	(101,545)	1,801,881
Intangibles	118,756	0	0	118,756
Total Capital Assets Depreciated	<u>\$ 27,352,970</u>	<u>\$ 507,689</u>	<u>\$ (101,545)</u>	<u>\$ 27,759,114</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 10,817,484	\$ 621,184	\$ 0	\$ 11,438,668
Other Capital Assets	982,429	105,430	(79,001)	1,008,858
Intangibles	80,893	9,896	0	90,789
Total Accumulated Depreciation	<u>\$ 11,880,806</u>	<u>\$ 736,510</u>	<u>\$ (79,001)</u>	<u>\$ 12,538,315</u>
Total Capital Assets Depreciated, Net	<u>\$ 15,472,164</u>	<u>\$ (228,821)</u>	<u>\$ (22,544)</u>	<u>\$ 15,220,799</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,202,047</u>	<u>\$ (39,661)</u>	<u>\$ (222,544)</u>	<u>\$ 15,939,842</u>

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

Governmental Activities:

Instruction	\$ 636,292
Support Services	<u>100,218</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 736,510</u></u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 2,892
"	Judicial District Drug (agency fund)	3,574
"	Water and Sewer (enterprise fund)	3,122
Nonmajor governmental	Water and Sewer (enterprise fund)	18,752

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Component Unit: School Department: General Purpose School	\$ 364
Primary Government: Governmental Activities		
	School Department: Governmental Activities	2,203,519

The payable of \$2,203,519 from the school department to the primary government is for debt retirement.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In Nonmajor Governmental Funds
General Fund	\$ 122,315
Nonmajor governmental	23,770
Total	\$ 146,085

Discretely Presented Hartsville/Trousdale County School Department

Transfer Out	Transfer In Nonmajor Governmental Fund
General Purpose School Fund	\$ 45,000

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

D. Long-term Debt

Primary Government

General Obligation Notes and Other Loans

Direct Borrowing and Direct Placemats - The metropolitan government issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to 10 years for notes and up to 21 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease

over the term of the debt. As of June 30, 2020, all capital outlay notes outstanding will be retired from the Urban Services and General Debt Service funds and other loans outstanding will be retired from the General Debt Service and Education Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.48 to 3.04 %	6-1-25	\$ 1,461,552	\$ 524,600
Other Loans	Variable	5-25-37	16,776,036	7,204,378

In prior years, the metropolitan government entered into a loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned the metropolitan government \$8,500,000 for the construction of a new high school. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2020, the variable interest rate was 0.27 percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. A trustee fee of \$85 per month is also included on this loan.

Also, in prior years, the metropolitan government entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned the metropolitan government \$2,523,000 for rehabilitation and repairs of metropolitan government school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The metropolitan government pays an annual administrative fee of \$2,018 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the metropolitan government will receive a federal interest subsidy semi-annually, which will offset these payments.

Also, in prior years, the metropolitan government entered into a loan agreement with the Tennessee Energy Efficient Schools Council. Under this loan agreement the council loaned \$1,352,974 to the metropolitan government on an as-needed basis for energy efficiency upgrades. This loan is repayable at a one percent interest rate.

Also, in prior years, the metropolitan government entered into a loan agreement with the City of Clarksville Public Building Authority. Under this loan agreement the authority loaned \$2,650,062 to the metropolitan government on an as-needed basis for energy saving improvements and renovations for the elementary school. This loan is repayable at a variable

interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2020, the variable interest rate was 1.05 percent, and other fees totaled approximately .15 percent (administration fee). A trustee fee of \$125 per month is also included on this loan.

Also, in prior years, the metropolitan government entered into another loan agreement with the City of Clarksville Public Building Authority. Under this loan agreement the authority loaned \$1,750,000 to the metropolitan government on an as-needed basis for renovation of a metropolitan government owned building for use as a criminal justice center. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2020, the variable interest rate was 1.05 percent, and other fees totaled approximately .15 percent (administration fee). A trustee fee of \$125 per month is also included on this loan.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2020, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 196,900	\$ 14,098	\$ 210,998
2022	121,700	9,257	130,957
2023	96,200	5,686	101,886
2024	94,800	2,890	97,690
2025	15,000	447	15,447
Total	<u>\$ 524,600</u>	<u>\$ 32,378</u>	<u>\$ 556,978</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	(1) Other Fees	Total
2021	\$ 1,046,783	\$ 175,888	\$ 18,861	\$ 1,241,532
2022	1,025,746	171,191	14,680	1,211,617
2023	467,993	166,640	10,104	644,737
2024	474,122	163,418	9,810	647,350
2025	478,251	160,145	9,508	647,904
2026-2030	1,963,483	383,842	37,094	2,384,419
2031-2035	1,223,000	65,575	24,214	1,312,789
2036-2037	525,000	7,835	6,851	539,686
Total	<u>\$ 7,204,378</u>	<u>\$ 1,294,534</u>	<u>\$ 131,122</u>	<u>\$ 8,630,034</u>

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

There is \$484,323 available in the General Debt Service Fund and \$543,779 available in the Education Debt Service Fund to service long-term debt. Total debt per capita, including notes and other loans totaled \$982, based on the 2010 federal census.

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

Description of Debt	Outstanding 6-30-20
<u>Other Loans - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Qualified School Construction Bonds, Series 2010	\$ 1,119,240
Energy Efficient School Improvements	<u>1,084,279</u>
Total	<u>\$ 2,203,519</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2019	\$ 716,000	\$ 8,225,079
Additions	0	0
Reductions	(191,400)	(1,020,701)
Balance, June 30, 2020	<u>\$ 524,600</u>	<u>\$ 7,204,378</u>
Balance Due Within One Year	<u>\$ 196,900</u>	<u>\$ 1,046,783</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 7,728,978
Less: Balance Due Within One Year - Debt	<u>(1,243,683)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 6,485,295</u>

**Hartsville/Trousdale County Government Water and Sewer Fund
(enterprise fund)**

Revenue Bonds

Revenue bonds were issued for original terms of up to 40 years for bonds. 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, 2020, will be retired from the Water and Sewer Fund.

Revenue bonds outstanding as of June 30, 2020, for business-type activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-20</u>
Revenue Bonds	1.88 to 2.25 %	11-1-57	\$ 5,455,000	\$ 5,160,690

The annual requirements to amortize all revenue bonds outstanding as of June 30, 2020, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 96,309	\$ 102,555	\$ 198,864
2022	98,248	100,616	198,864
2023	100,226	98,639	198,865
2024	102,141	96,723	198,864
2025	104,301	94,563	198,864
2026-2030	553,790	440,530	994,320
2031-2035	611,911	382,409	994,320
2036-2040	676,126	318,195	994,321
2041-2045	747,287	247,033	994,320
2046-2050	825,916	168,404	994,320
2051-2055	912,874	81,430	994,304
2056-2058	331,561	6,615	338,176
Total	<u>\$ 5,160,690</u>	<u>\$ 2,137,712</u>	<u>\$ 7,298,402</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

	Bonds
Balance, July 1, 2019	\$ 5,255,105
Additions	0
Reductions	(94,415)
Balance, June 30, 2020	<u>\$ 5,160,690</u>
Balance Due Within One Year	<u>\$ 96,309</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 5,160,690
Less: Balance Due Within One Year - Debt	<u>(96,309)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 5,064,381</u>

E. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Compensated Absences	Landfill Postclosure Care Cost
Balance, July 1, 2019	\$ 103,230	\$ 147,268
Additions	169,978	2,272
Reductions	(156,347)	(21,038)
Balance, June 30, 2020	<u>\$ 116,861</u>	<u>\$ 128,502</u>
Balance Due Within One Year	<u>\$ 18,516</u>	<u>\$ 0</u>

	Other Postemployment Benefits - Medicare Supplement Plan
Balance, July 1, 2019	\$ 36,250
Additions	50,376
Reductions	(24,712)
Balance, June 30, 2020	<u>\$ 61,914</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 307,277
Less: Balance Due Within One Year - Other	<u>(18,516)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 288,761</u>

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

**Hartsville/Trousdale County Government Water and Sewer Fund
(enterprise fund)**

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	<u>Compensated Absences</u>
Balance, July 1, 2019	\$ 27,822
Additions	34,612
Reductions	<u>(32,024)</u>
Balance, June 30, 2020	<u>\$ 30,410</u>
Balance Due Within One Year	<u>\$ 30,410</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 30,410
Less: Balance Due Within One Year - Other	<u>(30,410)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 0</u>

Discretely Presented School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented school department for the year ended June 30, 2020, was as follows:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2019	\$ 751,891
Additions	306,569
Reductions	<u>(172,283)</u>
Balance, June 30, 2020	<u>\$ 886,177</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 886,177
Less: Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 886,177</u></u>

Other postemployment benefits will be paid from the General Purpose School and School Federal Projects funds.

F. On-Behalf Payments

Discretely Presented School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the school department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2020, were \$24,539. 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

The metropolitan government is exposed to various risks related to general liability, property, and casualty losses. The metropolitan government decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The metropolitan government 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 metropolitan government 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.

The metropolitan government participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In

accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented School Department

The discretely presented 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.

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

B. Contingent Liabilities

The metropolitan government attorney advised there was no outstanding litigation as of the date of this report.

C. Landfill Postclosure Care Costs

The metropolitan government has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The metropolitan government 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 metropolitan government 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 metropolitan government 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 metropolitan government closed its sanitary landfill in 1996. The \$128,502 reported as postclosure care liability at June 30, 2020, represents amounts based on what it would cost to perform all

postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

D. Joint Venture

The Fifteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fifteenth Judicial District, Jackson, Smith, Trousdale, and Wilson counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. The metropolitan government made no contributions to the DTF for the year ended June 30, 2020.

The metropolitan government does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fifteenth Judicial District
P.O. Box 178
Hartsville, TN 37074

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description – Metropolitan Government. Employees of the metropolitan government, the water department employees, and non-certified employees of the discretely presented metropolitan school department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 68.78 percent, the water department employees comprise 10.96 percent, and the non-certified employees of the discretely presented school department comprise 20.26 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 www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Plan Description – Former City of Hartsville. Former City of Hartsville employees are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent 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 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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Metropolitan Government Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	74
Inactive Employees Entitled to But Not Yet Receiving Benefits	179
Active Employees	<u>180</u>
Total	<u><u>433</u></u>

Former City of Hartsville Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	34
Inactive Employees Entitled to But Not Yet Receiving Benefits	32
Active Employees	<u>3</u>
Total	<u><u>69</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Metropolitan Government Plan employees contribute five percent of salary while Former City of Hartsville Plan employees are non-contributory. The metropolitan government makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for the Metropolitan Government Plan was \$325,045 based on a rate of 5.00 percent of covered payroll. For the year ended June 30, 2020, the employer contribution for the Former City of Hartsville Plan was \$11,369 based on a rate of 8.14 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government'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)

The metropolitan government's net pension liability (asset) was measured as of June 30, 2019, 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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the metropolitan government 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)

Metropolitan Government Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 15,000,196	\$ 15,293,272	\$ (293,076)
Changes for the Year:			
Service Cost	\$ 431,428	\$ 0	\$ 431,428
Interest	1,093,767	0	1,093,767
Differences Between Expected and Actual Experience	465,171	0	465,171
Contributions-Employer	0	299,669	(299,669)
Contributions-Employees	0	299,670	(299,670)
Net Investment Income	0	1,134,773	(1,134,773)
Benefit Payments, Including Refunds of Employee Contributions	(690,356)	(690,356)	0
Administrative Expense	0	(15,326)	15,326
Net Changes	\$ 1,300,010	\$ 1,028,430	\$ 271,580
Balance, June 30, 2019	\$ 16,300,206	\$ 16,321,702	\$ (21,496)

Metropolitan Government Plan:

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	68.78%	\$ 11,211,282	\$ 11,226,067	\$ (14,785)
Water Department	10.96%	1,786,503	1,788,859	(2,356)
School Department	20.26%	3,302,421	3,306,776	(4,355)
Total		\$ 16,300,206	\$ 16,321,702	\$ (21,496)

Former City of Hartsville Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 5,516,233	\$ 6,106,383	\$ (590,150)
Changes for the Year:			
Service Cost	\$ 44,641	\$ 0	\$ 44,641
Interest	392,545	0	392,545
Differences Between Expected and Actual Experience	47,213	0	47,213
Contributions-Employer	0	41,140	(41,140)
Net Investment Income	0	445,295	(445,295)
Benefit Payments, Including Refunds of Employee Contributions	(292,927)	(292,927)	0
Administrative Expense	0	(267)	267
Net Changes	\$ 191,472	\$ 193,241	\$ (1,769)
Balance, June 30, 2019	\$ 5,707,705	\$ 6,299,624	\$ (591,919)

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

	1% Decrease	Current Discount Rate	1% Increase
Metropolitan Government	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 2,179,421	\$ (21,496)	\$ (1,841,150)

	1%	Current Discount Rate	1%
Former City of Hartsville Plan	Decrease 6.25%	7.25%	Increase 8.25%

Net Pension Liability (Asset) \$ 9,662 \$ (591,919) \$ (1,106,380)

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, 2020, the Metropolitan Government Plan recognized pension expense of \$435,503 and the Former City of Hartsville Plan recognized (negative pension expense) of (\$107,801).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the metropolitan government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Metropolitan Government Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 728,590	\$ 309,574
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	188,747
Changes in Assumptions	142,187	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	325,045	N/A
Total	\$ 1,195,822	\$ 498,321

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Metropolitan Government Plan:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 824,613	\$ 342,745
Water Department	131,445	54,616
School Department	<u>239,764</u>	<u>100,960</u>
Total	<u>\$ 1,195,822</u>	<u>\$ 498,321</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
Former City Of Hartsville Plan		
Difference Between Expected and Actual Experience	\$ 23,606	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	75,834
Changes in Assumptions	0	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	<u>11,369</u>	<u>N/A</u>
Total	<u>\$ 34,975</u>	<u>\$ 75,834</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Metropolitan Government Plan:

Year Ending June 30	Amount
2021	\$ 247,822
2022	31,905
2023	5,667
2024	87,062
2025	0
Thereafter	0

Former City of Hartsville Plan:

Year Ending June 30	Amount
2021	\$ 20,433
2022	(55,865)
2023	(14,453)
2024	(2,343)
2025	0
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2020, the discretely presented metropolitan school department reported a payable of \$32,302 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

Discretely Presented Metropolitan Government School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, most employees of metropolitan government and the non-certified employees of the discretely presented metropolitan school department are provided a defined benefit pension plan (Metropolitan Government Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary

government employees comprise 68.78 percent, the water department employees comprise 10.96 percent, and the non-certified employees of the discretely presented school department comprise 20.26 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the metropolitan 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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at

three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$39,155, which is 2.03 percent of covered payroll. In addition, employer contributions of \$35,066, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$90,510) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was .160341 percent. The proportion as of June 30, 2018, was .153587 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$27,938.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 3,753	\$ 15,801
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,827
Changes in Assumptions	3,145	0
Changes in Proportion of Net Pension Liability (Asset)	1,086	6,648
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>39,155</u>	N/A
Total	<u>\$ 47,139</u>	<u>\$ 26,276</u>

The school department's employer contributions of \$39,155, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
<u>June 30</u>	<u>Amount</u>
2021	\$ (2,386)
2022	(2,971)
2023	(1,898)
2024	(1,351)
2025	(1,195)
Thereafter	(8,491)

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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 28,677 \$ (90,510) \$ (178,612)

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

Payable to the Pension Plan

At June 30, 2020, the school department reported a payable of \$31,530 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the metropolitan 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 www.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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension 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. 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 metropolitan school department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$388,794, which is 10.63 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$1,183,867) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, 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, 2019, the school department's proportion was .115142 percent. The proportion measured at June 30, 2018, was .111908 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$135,737.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, 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	\$ 57,639	\$ 723,129
Changes in Assumptions	159,532	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	338,253
Changes in Proportion of Net Pension Liability (Asset)	20,403	54,258
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	388,794	N/A
Total	<u>\$ 626,368</u>	<u>\$ 1,115,640</u>

The school department's employer contributions of \$388,794 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2021. 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
2021	\$ (263,811)
2022	(345,254)
2023	(156,193)
2024	(112,809)
2025	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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one

percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

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

Net Pension Liability (Asset) \$ 2,420,665 \$ (1,183,867) \$ (4,051,172)

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

Payable to the Pension Plan

At June 30, 2020, the school department reported a payable of \$117,147 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

2. Deferred Compensation

The discretely presented school department offers its employees one deferred compensation plan, established pursuant to IRC Section 403(b). All costs of administering and funding this program is the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$97,507 and teachers contributed \$31,567 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of the metropolitan government and the water department are not provided healthcare. Once the retirees of the former City of Hartsville reach Medicare eligibility, then they may join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The school department provides healthcare benefits to its certified and non-certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified and non-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 metropolitan government and school department's total OPEB liability for the plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.2%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	TNM- The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable LEP - Based on the Getzen Model, with trend starting at 6.03% for the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.51 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to

initial per capita costs and health trend rates. The trend rate applicable to the 2019 plan year was revised from 6.75 percent to 6.03 percent.

Closed Tennessee (TNM) OPEB Plan – Medicare (Primary Government)

Plan Description. Employees of the former City of Hartsville are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. However, the amounts reflected in this note disclosure pertain only to the metropolitan government. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The metropolitan government provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	1
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	11
Active Employees	2
 Total	 <hr/> <hr/> 14

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2020, the metropolitan government paid \$5,435 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Metropolitan Government</u>
Balance July 1, 2018	\$ 36,250
Changes for the Year:	
Service Cost	\$ 131
Interest	1,266
Difference between Expected and Actuarial Experience	26,489
Changes in Assumptions and Other Inputs	628
Benefit Payments	<u>(2,850)</u>
Net Changes	<u>\$ 25,664</u>
Balance June 30, 2019	<u>\$ 61,914</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the metropolitan government recognized negative OPEB expense of \$21,862. At June 30, 2020, the metropolitan government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 10,907	\$ 0
Changes of Assumptions/Inputs	259	8,245
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2019	<u>5,435</u>	<u>0</u>
Total	<u>\$ 16,601</u>	<u>\$ 8,245</u>

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

<u>Year Ending</u> <u>June 30</u>	<u>Metropolitan</u> <u>Government</u>
2021	\$ 9,769
2022	(1,397)
2023	(1,397)
2024	(1,397)
2025	(1,397)
Thereafter	(1,260)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the metropolitan government calculated using the current discount rate, as well as what the 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 rate:

<u>Discount Rate</u>	1%	Current Discount Rate	1%
	Decrease		Increase
	2.51%	3.51%	4.51%

Metropolitan Government \$ 67,743 \$ 61,914 \$ 56,892

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

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

Plan Description. Employees of the 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 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. The school department does not provide a direct subsidy and is only subject to the implicit subsidy. 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, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	5
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	0
Active Employees	99
	<hr/>
Total	<u>104</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 \$28,232 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	School Department 63.4972%	State of TN 36.5028%	Total OPEB Liability
Balance July 1, 2018	\$ 751,891	\$ 394,318	\$ 1,146,209
Changes for the Year:			
Service Cost	\$ 41,711	\$ 23,979	\$ 65,690
Interest	27,290	15,688	42,978
Difference between Expected and Actuarial Experience	193,103	111,010	304,113
Changes in Proportion	(24,081)	24,081	0
Changes in Assumptions and Other Inputs	(72,122)	(41,461)	(113,583)
Benefit Payments	(31,615)	(18,175)	(49,790)
Net Changes	<u>\$ 134,286</u>	<u>\$ 115,122</u>	<u>\$ 249,408</u>
Balance June 30, 2019	<u>\$ 886,177</u>	<u>\$ 509,440</u>	<u>\$ 1,395,617</u>

The 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 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 \$39,934 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the school department's proportionate share of the collective OPEB liability was 63.4972 percent and the State of Tennessee's share was 36.5028 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$105,615, including the state's share of the expense. At June 30, 2020, 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	\$ 175,123	\$ 101,709
Changes of Assumptions/Inputs	9,481	96,883
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	13,571	26,952
Benefits Paid After the Measurement Date of June 30, 2019	28,232	0
Total	<u>\$ 226,407</u>	<u>\$ 225,544</u>

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

Year Ending June 30	School Department
2021	\$ (3,320)
2022	(3,320)
2023	(3,320)
2024	(3,320)
2025	(3,320)
Thereafter	(10,769)

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
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 961,419	\$ 886,177	\$ 815,969
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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 Rates	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 785,054	\$ 886,177	\$ 1,007,492
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G. Pollution Remediation

During a routine post-closure landfill inspection on September 18, 2017, the Tennessee Department of Environment and Conservation (TDEC) found violations of the Tennessee Solid Waste regulations at a secondary landfill site. Prior to this inspection, management was not aware of the landfill site. On October 5, 2017, the metropolitan government received notification of the violations, which included steps for properly closing the site. On October 26, 2017, a Compliance Review Meeting was held. During the meeting, a compliance agreement addressing the corrective action measures necessary and establishing a timeline for completion was reached. The compliance agreement's terms were stated in a letter from TDEC sent to the metropolitan government's Public Works Director and dated November 21, 2017. On April 17, 2018, samples collected from the site found additional contamination furthering the scope of work needed for the proper closing of the landfill site. As of June 30, 2020, all compliance agreement measures have been completed within TDEC standards.

H. Purchasing Laws

Office of County Mayor

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

Office of Superintendent of Roads

Purchasing procedures for the highway department are governed by the metropolitan charter and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which requires all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

I. Subsequent Event

On July 21, 2020, the metropolitan government issued capital outlay notes totaling \$1,049,170 for a roof replacement at the middle school.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Hartsville/Trousdale County Government, 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 - Metropolitan Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 324,033	\$ 322,705	\$ 333,310	\$ 352,055	\$ 395,965	\$ 431,428
Interest	823,533	846,208	935,040	955,805	1,052,559	1,093,767
Differences Between Actual and Expected Experience	(324,548)	578,032	(464,127)	650,290	(258,111)	465,171
Changes in Assumptions	0	0	0	355,469	0	0
Benefit Payments, Including Refunds of Employee Contributions	(442,202)	(596,531)	(549,717)	(542,489)	(624,601)	(690,356)
Net Change in Total Pension Liability	\$ 380,816	\$ 1,150,414	\$ 254,506	\$ 1,771,130	\$ 565,812	\$ 1,300,010
Total Pension Liability, Beginning	10,877,518	11,258,334	12,408,748	12,663,254	14,434,384	15,000,196
Total Pension Liability, Ending (a)	\$ 11,258,334	\$ 12,408,748	\$ 12,663,254	\$ 14,434,384	\$ 15,000,196	\$ 16,300,206
Plan Fiduciary Net Position						
Contributions - Employer	\$ 339,027	\$ 333,061	\$ 350,935	\$ 403,355	\$ 268,270	\$ 299,669
Contributions - Employee	222,366	208,932	221,552	254,644	268,271	299,670
Net Investment Income	1,701,552	369,129	327,041	1,442,366	1,176,110	1,134,773
Benefit Payments, Including Refunds of Employee Contributions	(442,202)	(596,531)	(549,717)	(542,489)	(624,601)	(690,356)
Administrative Expense	(5,638)	(7,542)	(11,404)	(13,824)	(15,603)	(15,326)
Other	0	0	23,279	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,815,105	\$ 307,049	\$ 361,686	\$ 1,544,052	\$ 1,072,447	\$ 1,028,430
Plan Fiduciary Net Position, Beginning	10,192,933	12,008,038	12,315,087	12,676,773	14,220,825	15,293,272
Plan Fiduciary Net Position, Ending (b)	\$ 12,008,038	\$ 12,315,087	\$ 12,676,773	\$ 14,220,825	\$ 15,293,272	\$ 16,321,702
Net Pension Liability (Asset), Ending (a - b)	\$ (749,704)	\$ 93,661	\$ (13,519)	\$ 213,559	\$ (293,076)	\$ (21,496)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.66%	99.25%	100.11%	98.52%	101.95%	100.13%
Covered Payroll	\$ 4,201,073	\$ 4,205,311	\$ 4,431,001	\$ 5,092,863	\$ 5,365,385	\$ 5,993,369
Net Pension Liability (Asset) as a Percentage of Covered Payroll	17.85%	2.23%	(0.31)%	4.19%	(5.46)%	(0.36)%

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

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

Hartsville/Trousdale County Government, 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 - Former City of Hartsville
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 68,313	\$ 69,023	\$ 69,318	\$ 69,812	\$ 44,822	\$ 44,641
Interest	389,623	398,659	399,569	410,643	403,694	392,545
Differences Between Actual and Expected Experience	(93,087)	(201,895)	(56,988)	(241,783)	(307,295)	47,213
Changes in Assumptions	0	0	0	163,864	0	0
Benefit Payments, Including Refunds of Employee Contributions	(239,305)	(250,855)	(257,048)	(272,434)	(296,731)	(292,927)
Net Change in Total Pension Liability	\$ 125,544	\$ 14,932	\$ 154,851	\$ 130,102	\$ (155,510)	\$ 191,472
Total Pension Liability, Beginning	5,246,314	5,371,858	5,386,790	5,541,641	5,671,743	5,516,233
Total Pension Liability, Ending (a)	\$ 5,371,858	\$ 5,386,790	\$ 5,541,641	\$ 5,671,743	\$ 5,516,233	\$ 5,707,705
Plan Fiduciary Net Position						
Contributions - Employer	\$ 153,731	\$ 150,371	\$ 149,759	\$ 33,973	\$ 27,258	\$ 41,140
Contributions - Employee	10,663	0	0	0	0	0
Net Investment Income	777,497	165,465	144,097	612,404	478,355	445,295
Benefit Payments, Including Refunds of Employee Contributions	(239,305)	(250,855)	(257,048)	(272,434)	(296,731)	(292,927)
Administrative Expense	(958)	(904)	(1,286)	25	(285)	(267)
Net Change in Plan Fiduciary Net Position	\$ 701,628	\$ 64,077	\$ 35,522	\$ 373,968	\$ 208,597	\$ 193,241
Plan Fiduciary Net Position, Beginning	4,722,591	5,424,219	5,488,296	5,523,818	5,897,786	6,106,383
Plan Fiduciary Net Position, Ending (b)	\$ 5,424,219	\$ 5,488,296	\$ 5,523,818	\$ 5,897,786	\$ 6,106,383	\$ 6,299,624
Net Pension Liability (Asset), Ending (a - b)	\$ (52,361)	\$ (101,506)	\$ 17,823	\$ (226,043)	\$ (590,150)	\$ (591,919)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.97%	101.88%	99.68%	103.99%	110.70%	110.37%
Covered Payroll	\$ 764,071	\$ 757,537	\$ 754,454	\$ 171,149	\$ 137,319	\$ 144,097
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.85%	(13.40%)	2.36%	(132.07%)	(429.77)%	(410.78)%

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

Exhibit F-3

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 339,027	\$ 333,061	\$ 350,935	\$ 403,355	\$ 242,515	\$ 282,288	\$ 325,045
Less Contributions in Relation to the Actuarially Determined Contribution	(339,027)	(333,061)	(350,935)	(403,355)	(268,270)	(299,669)	(325,045)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (25,755)	\$ (17,381)	\$ 0
Covered Payroll	\$ 4,201,073	\$ 4,205,311	\$ 4,431,001	\$ 5,092,863	\$ 5,365,385	\$ 5,993,369	\$ 6,445,394
Contributions as a Percentage of Covered Payroll	8.07%	7.92%	7.92%	7.92%	5.00%	5.00%	5.00%

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

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-4

Hartsville/Trousdale County Government, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Former City of Hartsville
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 153,731	\$ 150,371	\$ 149,759	\$ 33,973	\$ 27,258	\$ 41,140	\$ 11,369
Less Contributions in Relation to the Actuarially Determined Contribution	(153,731)	(150,371)	(149,759)	(33,973)	(27,258)	(41,140)	(11,369)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 764,071	\$ 757,537	\$ 754,454	\$ 171,149	\$ 137,319	\$ 144,097	\$ 139,666
Contributions as a Percentage of Covered Payroll	20.12%	19.85%	19.85%	19.85%	19.85%	28.55%	8.14%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 15,712	\$ 23,501	\$ 36,390	\$ 21,887	\$ 32,917	\$ 39,155
Less Contributions in Relation to the Contractually Required Contribution	(15,712)	(23,501)	(36,390)	(53,687)	(32,917)	(39,155)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (31,800)	\$ 0	\$ 0
Covered Payroll	\$ 392,786	\$ 587,518	\$ 909,760	\$ 1,342,166	\$ 1,696,752	\$ 1,911,316
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 434,589	\$ 405,580	\$ 368,220	\$ 385,377	\$ 355,815	\$ 403,848	\$ 388,794
Less Contributions in Relation to the							
Contractually Required Contribution	(434,589)	(405,580)	(368,220)	(385,377)	(355,815)	(403,848)	(388,794)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 4,894,020	\$ 4,486,506	\$ 4,072,232	\$ 4,263,017	\$ 3,918,667	\$ 3,860,875	\$ 3,659,945
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

Exhibit F-7

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability (Asset)	0.189044%	0.133525%	0.138611%	0.153587%	0.160341%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (7,605)	\$ (13,900)	\$ (36,570)	\$ (69,656)	\$ (90,510)
Covered Payroll	\$ 392,786	\$ 587,518	\$ 909,760	\$ 1,342,166	\$ 1,696,752
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit F-8

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.124689%	0.119848%	0.112838%	0.120596%	0.111908%	0.115142%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (20,261)	\$ 49,094	\$ 705,177	\$ (39,458)	\$ (393,796)	\$ (1,183,867)
Covered Payroll	\$ 4,894,020	\$ 4,486,506	\$ 4,073,232	\$ 4,263,017	\$ 3,918,667	\$ 3,860,875
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094254%	17.31%	(0.93)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit F-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare
Primary Government - Metropolitan Government
For the Fiscal Year Ended June 30

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 4,794	\$ 4,049	\$ 131
Interest	4,241	4,811	1,266
Differences Between Actual and Expected Experience	0	(100,617)	26,489
Changes in Assumptions or Other Inputs	(12,437)	(218)	628
Benefit Payments	(6,188)	(5,713)	(2,850)
Net Change in Total OPEB Liability	\$ (9,590)	\$ (97,688)	\$ 25,664
Total OPEB Liability, Beginning	143,528	133,938	36,250
Total OPEB Liability, Ending	<u>\$ 133,938</u>	<u>\$ 36,250</u>	<u>\$ 61,914</u>
Covered Employee Payroll	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

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%

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

Exhibit F-10

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 77,029	\$ 70,610	\$ 65,690
Interest	39,237	46,710	42,978
Differences Between Actual and Expected Experience	0	(192,870)	304,113
Changes in Assumptions or Other Inputs	(67,487)	17,980	(113,583)
Benefit Payments	(72,638)	(75,381)	(49,790)
Net Change in Total OPEB Liability	\$ (23,859)	\$ (132,951)	\$ 249,408
Total OPEB Liability, Beginning	1,303,019	1,279,160	1,146,209
Total OPEB Liability, Ending	<u>\$ 1,279,160</u>	<u>\$ 1,146,209</u>	<u>\$ 1,395,617</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 458,162	\$ 394,318	\$ 509,440
Employer Proportionate Share of the Total OPEB Liability	820,998	751,891	886,177
Covered Employee Payroll	\$ 6,152,420	\$ 6,391,221	\$ 6,771,683
Employer Proportionate Share of the Total OPEB Liability as a Percentage of Covered Employee Payroll	13.34%	11.76%	13.09%

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%

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

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

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

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Primary Government - Metropolitan Government and Former City
of Hartsville Plans:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4.00%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Changes of Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the 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.

Urban Services Fund – The Urban Services Fund is used to account for the financial activity of the Urban Services District.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to the disposal of solid waste.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the ambulance service.

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.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the metropolitan government’s highway department.

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.

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

Capital Projects Fund

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

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	314
Equity in Pooled Cash and Investments	1,036,096	421,040	543,689	61,025	0
Accounts Receivable	3,672	29,031	82,564	0	0
Allowance for Uncollectibles	0	0	(14,043)	0	0
Due from Other Governments	272,720	132,983	759	0	0
Due from Other Funds	18,752	0	0	0	0
Property Taxes Receivable	506,781	609,802	485,909	0	0
Allowance for Uncollectible Property Taxes	(45,157)	(56,319)	(44,306)	0	0
Total Assets	\$ 1,792,864	\$ 1,136,537	\$ 1,054,572	\$ 61,025	\$ 314
<u>LIABILITIES</u>					
Accounts Payable	\$ 118,765	\$ 0	\$ 1,498	\$ 0	0
Accrued Payroll	0	0	0	0	0
Due to Other Funds	1,467	0	1,425	0	0
Due to State of Tennessee	0	0	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	314
Total Liabilities	\$ 120,232	\$ 0	\$ 2,923	\$ 0	\$ 314
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 440,164	\$ 539,063	\$ 431,204	\$ 0	0
Deferred Delinquent Property Taxes	20,168	13,207	9,524	0	0

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 16,000	\$ 0	\$ 68,520	\$ 0	\$ 0
Total Deferred Inflows of Resources	<u>\$ 476,332</u>	<u>\$ 552,270</u>	<u>\$ 509,248</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 61,025	\$ 0
Restricted for Highways/Public Works	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for General Government	1,155,018	0	0	0	0
Committed for Public Health and Welfare	0	581,267	532,004	0	0
Committed for Debt Service	0	0	0	0	0
Assigned:					
Assigned for General Government	41,282	0	0	0	0
Assigned for Public Health and Welfare	0	3,000	10,397	0	0
Total Fund Balances	<u>\$ 1,196,300</u>	<u>\$ 584,267</u>	<u>\$ 542,401</u>	<u>\$ 61,025</u>	<u>\$ 0</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,792,864</u>	<u>\$ 1,136,537</u>	<u>\$ 1,054,572</u>	<u>\$ 61,025</u>	<u>\$ 314</u>

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service Funds</u>		
	<u>Highway / Public Works</u>	<u>Total</u>	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>Total</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 314	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	1,115,041	3,176,891	487,155	543,779	1,030,934
Accounts Receivable	690	115,957	0	0	0
Allowance for Uncollectibles	0	(14,043)	0	0	0
Due from Other Governments	280,268	686,730	735	0	735
Due from Other Funds	0	18,752	0	0	0
Property Taxes Receivable	100,132	1,702,624	470,517	0	470,517
Allowance for Uncollectible Property Taxes	(9,300)	(155,082)	(42,904)	0	(42,904)
Total Assets	\$ 1,486,831	\$ 5,532,143	\$ 915,503	\$ 543,779	\$ 1,459,282
<u>LIABILITIES</u>					
Accounts Payable	\$ 18,815	\$ 139,078	\$ 4,414	\$ 0	\$ 4,414
Accrued Payroll	42,624	42,624	0	0	0
Due to Other Funds	0	2,892	0	0	0
Due to State of Tennessee	1,330	1,330	0	0	0
Due to Litigants, Heirs, and Others	0	314	0	0	0
Total Liabilities	\$ 62,769	\$ 186,238	\$ 4,414	\$ 0	\$ 4,414
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 88,314	\$ 1,498,745	\$ 417,543	\$ 0	\$ 417,543
Deferred Delinquent Property Taxes	2,307	45,206	9,223	0	9,223

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service Funds</u>		
	<u>Highway / Public Works</u>	<u>Total</u>	<u>General Debt Service</u>	<u>Education Debt Service</u>	<u>Total</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 145,206	\$ 229,726	\$ 0	\$ 0	\$ 0
Total Deferred Inflows of Resources	<u>\$ 235,827</u>	<u>\$ 1,773,677</u>	<u>\$ 426,766</u>	<u>\$ 0</u>	<u>\$ 426,766</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 61,025	\$ 0	\$ 0	\$ 0
Restricted for Highways/Public Works	1,188,235	1,188,235	0	0	0
Restricted for Capital Projects	0	0	0	0	0
Committed:					
Committed for General Government	0	1,155,018	0	0	0
Committed for Public Health and Welfare	0	1,113,271	0	0	0
Committed for Debt Service	0	0	484,323	543,779	1,028,102
Assigned:					
Assigned for General Government	0	41,282	0	0	0
Assigned for Public Health and Welfare	0	13,397	0	0	0
Total Fund Balances	<u>\$ 1,188,235</u>	<u>\$ 3,572,228</u>	<u>\$ 484,323</u>	<u>\$ 543,779</u>	<u>\$ 1,028,102</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,486,831</u>	<u>\$ 5,532,143</u>	<u>\$ 915,503</u>	<u>\$ 543,779</u>	<u>\$ 1,459,282</u>

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash	\$ 0	\$ 314
Equity in Pooled Cash and Investments	21,684	4,229,509
Accounts Receivable	0	115,957
Allowance for Uncollectibles	0	(14,043)
Due from Other Governments	0	687,465
Due from Other Funds	0	18,752
Property Taxes Receivable	0	2,173,141
Allowance for Uncollectible Property Taxes	0	(197,986)
	<u>\$ 21,684</u>	<u>\$ 7,013,109</u>
Total Assets		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 143,492
Accrued Payroll	0	42,624
Due to Other Funds	0	2,892
Due to State of Tennessee	0	1,330
Due to Litigants, Heirs, and Others	0	314
Total Liabilities	<u>\$ 0</u>	<u>\$ 190,652</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 0	\$ 1,916,288
Deferred Delinquent Property Taxes	0	54,429

(Continued)

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>		
Other Deferred/Unavailable Revenue	0	\$ 229,726
Total Deferred Inflows of Resources	<u>0</u>	<u>\$ 2,200,443</u>
<u>FUND BALANCES</u>		
Restricted:		
Restricted for Public Safety	\$ 0	\$ 61,025
Restricted for Highways/Public Works	0	1,188,235
Restricted for Capital Projects	21,684	21,684
Committed:		
Committed for General Government	0	1,155,018
Committed for Public Health and Welfare	0	1,113,271
Committed for Debt Service	0	1,028,102
Assigned:		
Assigned for General Government	0	41,282
Assigned for Public Health and Welfare	0	13,397
Total Fund Balances	<u>\$ 21,684</u>	<u>\$ 4,622,014</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,684</u>	<u>\$ 7,013,109</u>

Exhibit G-2

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds					
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	Total
<u>Revenues</u>						
Local Taxes	\$ 560,438	\$ 642,151	\$ 471,296	\$ 0	\$ 112,640	\$ 1,786,525
Licenses and Permits	72,167	0	0	0	0	72,167
Fines, Forfeitures, and Penalties	0	0	0	18,005	0	18,005
Charges for Current Services	221,739	223,896	558,895	0	0	1,004,530
Other Local Revenues	400	39,351	6,274	0	1,892	47,917
State of Tennessee	235,663	245,209	0	0	2,011,312	2,492,184
Federal Government	417,706	0	13,512	0	0	431,218
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	\$ 1,508,113	\$ 1,150,607	\$ 1,049,977	\$ 18,005	\$ 2,125,844	\$ 5,852,546
<u>Expenditures</u>						
Current:						
Public Safety	\$ 414,111	\$ 0	\$ 0	\$ 20,131	\$ 0	\$ 434,242
Public Health and Welfare	268,223	1,084,597	1,085,028	0	0	2,437,848
Social, Cultural, and Recreational Services	4,000	0	0	0	0	4,000
Other Operations	145,403	54,064	0	0	0	199,467
Highways	13,617	0	0	0	1,743,217	1,756,834
Debt Service:						
Principal on Debt	30,000	0	0	0	0	30,000
Interest on Debt	2,949	0	0	0	0	2,949
Other Debt Service	0	0	0	0	0	0
Capital Projects	517,060	0	0	0	0	517,060
Total Expenditures	\$ 1,395,363	\$ 1,138,661	\$ 1,085,028	\$ 20,131	\$ 1,743,217	\$ 5,382,400

(Continued)

Exhibit G-2

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

	Special Revenue Funds					
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	Total
Excess (Deficiency) of Revenues Over Expenditures	\$ 112,750	\$ 11,946	\$ (35,051)	\$ (2,126)	\$ 382,627	\$ 470,146
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,650	\$ 4,650
Transfers In	0	0	0	0	0	0
Transfers Out	(23,770)	0	0	0	0	(23,770)
Total Other Financing Sources (Uses)	\$ (23,770)	\$ 0	\$ 0	\$ 0	\$ 4,650	\$ (19,120)
Net Change in Fund Balances	\$ 88,980	\$ 11,946	\$ (35,051)	\$ (2,126)	\$ 387,277	\$ 451,026
Fund Balance, July 1, 2019	1,107,320	572,321	577,452	63,151	800,958	3,121,202
Fund Balance, June 30, 2020	\$ 1,196,300	\$ 584,267	\$ 542,401	\$ 61,025	\$ 1,188,235	\$ 3,572,228

(Continued)

Exhibit G-2

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

	<u>Debt Service Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>		<u>Projects Fund</u>	
	<u>Debt</u>	<u>Debt</u>	<u>Total</u>	<u>General</u>	<u>Nonmajor</u>
	<u>Service</u>	<u>Service</u>		<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Local Taxes	\$ 474,921	\$ 369,889	\$ 844,810	\$ 0	\$ 2,631,335
Licenses and Permits	0	0	0	0	72,167
Fines, Forfeitures, and Penalties	0	0	0	0	18,005
Charges for Current Services	0	0	0	0	1,004,530
Other Local Revenues	24,288	22,685	46,973	0	94,890
State of Tennessee	0	0	0	0	2,492,184
Federal Government	0	0	0	0	431,218
Other Governments and Citizens Groups	279,150	55,000	334,150	0	334,150
Total Revenues	<u>\$ 778,359</u>	<u>\$ 447,574</u>	<u>\$ 1,225,933</u>	<u>\$ 0</u>	<u>\$ 7,078,479</u>
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 434,242
Public Health and Welfare	0	0	0	0	2,437,848
Social, Cultural, and Recreational Services	0	0	0	0	4,000
Other Operations	0	0	0	0	199,467
Highways	0	0	0	0	1,756,834
Debt Service:					
Principal on Debt	614,101	568,000	1,182,101	0	1,212,101
Interest on Debt	239,403	21,744	261,147	0	264,096
Other Debt Service	20,452	15,873	36,325	0	36,325
Capital Projects	0	0	0	0	517,060
Total Expenditures	<u>\$ 873,956</u>	<u>\$ 605,617</u>	<u>\$ 1,479,573</u>	<u>\$ 0</u>	<u>\$ 6,861,973</u>

(Continued)

Exhibit G-2

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

	<u>Debt Service Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>		<u>Projects Fund</u>	
	<u>Debt</u>	<u>Debt</u>	<u>Total</u>	<u>General</u>	<u>Nonmajor</u>
	<u>Service</u>	<u>Service</u>		<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (95,597)	\$ (158,043)	\$ (253,640)	\$ 0	\$ 216,506
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,650
Transfers In	146,085	0	146,085	0	146,085
Transfers Out	0	0	0	0	(23,770)
Total Other Financing Sources (Uses)	\$ 146,085	\$ 0	\$ 146,085	\$ 0	\$ 126,965
Net Change in Fund Balances	\$ 50,488	\$ (158,043)	\$ (107,555)	\$ 0	\$ 343,471
Fund Balance, July 1, 2019	433,835	701,822	1,135,657	21,684	4,278,543
Fund Balance, June 30, 2020	\$ 484,323	\$ 543,779	\$ 1,028,102	\$ 21,684	\$ 4,622,014

Exhibit G-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Urban Services Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 560,438	\$ 0	\$ 0	\$ 560,438	\$ 558,798	\$ 558,798	\$ 1,640
Licenses and Permits	72,167	0	0	72,167	50,000	50,000	22,167
Charges for Current Services	221,739	0	0	221,739	210,000	210,000	11,739
Other Local Revenues	400	0	0	400	500	500	(100)
State of Tennessee	235,663	0	0	235,663	203,000	203,000	32,663
Federal Government	417,706	0	0	417,706	0	644,572	(226,866)
Total Revenues	\$ 1,508,113	\$ 0	\$ 0	\$ 1,508,113	\$ 1,022,298	\$ 1,666,870	\$ (158,757)
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 409,430	\$ (347)	\$ 41,022	\$ 450,105	\$ 497,086	\$ 508,586	\$ 58,481
Fire Prevention and Control	4,681	(1,484)	0	3,197	4,300	4,300	1,103
<u>Public Health and Welfare</u>							
Waste Pickup	268,223	(524)	260	267,959	281,711	281,711	13,752
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	0	0	0	0	10,000	4,500	4,500
Other Social, Cultural, and Recreational	4,000	0	0	4,000	4,000	4,000	0
<u>Other Operations</u>							
Other Charges	143,153	0	0	143,153	173,802	167,802	24,649
Employee Benefits	2,250	0	0	2,250	2,400	2,400	150
<u>Highways</u>							
Highway and Bridge Maintenance	13,617	0	0	13,617	100,000	30,000	16,383
<u>Principal on Debt</u>							
General Government	30,000	0	0	30,000	32,950	30,000	0
<u>Interest on Debt</u>							
General Government	2,949	0	0	2,949	0	2,950	1
<u>Capital Projects</u>							
Highway and Street Capital Projects	517,060	(259)	0	516,801	187,737	902,309	385,508
Total Expenditures	\$ 1,395,363	\$ (2,614)	\$ 41,282	\$ 1,434,031	\$ 1,293,986	\$ 1,938,558	\$ 504,527

(Continued)

Exhibit G-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Urban Services Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 112,750	\$ 2,614	\$ (41,282)	\$ 74,082	\$ (271,688)	\$ (271,688)	\$ 345,770
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (23,770)	\$ 0	\$ 0	\$ (23,770)	\$ (23,771)	\$ (23,771)	\$ 1
Total Other Financing Sources	\$ (23,770)	\$ 0	\$ 0	\$ (23,770)	\$ (23,771)	\$ (23,771)	\$ 1
Net Change in Fund Balance	\$ 88,980	\$ 2,614	\$ (41,282)	\$ 50,312	\$ (295,459)	\$ (295,459)	\$ 345,771
Fund Balance, July 1, 2019	1,107,320	(2,614)	0	1,104,706	1,011,529	1,011,529	93,177
Fund Balance, June 30, 2020	\$ 1,196,300	\$ 0	\$ (41,282)	\$ 1,155,018	\$ 716,070	\$ 716,070	\$ 438,948

Exhibit G-4

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 642,151	\$ 0	\$ 0	\$ 642,151	\$ 602,233	\$ 602,233	\$ 39,918
Charges for Current Services	223,896	0	0	223,896	215,000	215,000	8,896
Other Local Revenues	39,351	0	0	39,351	50,000	50,000	(10,649)
State of Tennessee	245,209	0	0	245,209	326,216	326,216	(81,007)
Total Revenues	\$ 1,150,607	\$ 0	\$ 0	\$ 1,150,607	\$ 1,193,449	\$ 1,193,449	\$ (42,842)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Convenience Centers	\$ 424,611	\$ (1,086)	\$ 2,026	\$ 425,551	\$ 566,395	\$ 564,895	\$ 139,344
Recycling Center	36,350	(165)	0	36,185	62,047	62,047	25,862
Other Waste Disposal	161,135	0	0	161,135	165,000	180,000	18,865
Postclosure Care Costs	462,501	0	974	463,475	689,699	671,574	208,099
<u>Other Operations</u>							
Other Charges	54,064	0	0	54,064	50,250	54,875	811
Total Expenditures	\$ 1,138,661	\$ (1,251)	\$ 3,000	\$ 1,140,410	\$ 1,533,391	\$ 1,533,391	\$ 392,981
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,946	\$ 1,251	\$ (3,000)	\$ 10,197	\$ (339,942)	\$ (339,942)	\$ 350,139
Net Change in Fund Balance	\$ 11,946	\$ 1,251	\$ (3,000)	\$ 10,197	\$ (339,942)	\$ (339,942)	\$ 350,139
Fund Balance, July 1, 2019	572,321	(1,251)	0	571,070	575,631	575,631	(4,561)
Fund Balance, June 30, 2020	\$ 584,267	\$ 0	\$ (3,000)	\$ 581,267	\$ 235,689	\$ 235,689	\$ 345,578

Exhibit G-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 471,296	\$ 0	\$ 0	\$ 471,296	\$ 448,067	\$ 448,067	\$ 23,229
Charges for Current Services	558,895	0	0	558,895	525,000	530,110	28,785
Other Local Revenues	6,274	0	0	6,274	25	25	6,249
Federal Government	13,512	0	0	13,512	0	9,000	4,512
Total Revenues	<u>\$ 1,049,977</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,049,977</u>	<u>\$ 973,092</u>	<u>\$ 987,202</u>	<u>\$ 62,775</u>
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 1,085,028	\$ (1,690)	\$ 10,397	\$ 1,093,735	\$ 1,102,165	\$ 1,154,275	\$ 60,540
Total Expenditures	<u>\$ 1,085,028</u>	<u>\$ (1,690)</u>	<u>\$ 10,397</u>	<u>\$ 1,093,735</u>	<u>\$ 1,102,165</u>	<u>\$ 1,154,275</u>	<u>\$ 60,540</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (35,051)</u>	<u>\$ 1,690</u>	<u>\$ (10,397)</u>	<u>\$ (43,758)</u>	<u>\$ (129,073)</u>	<u>\$ (167,073)</u>	<u>\$ 123,315</u>
Net Change in Fund Balance	\$ (35,051)	\$ 1,690	\$ (10,397)	\$ (43,758)	\$ (129,073)	\$ (167,073)	\$ 123,315
Fund Balance, July 1, 2019	577,452	(1,690)	0	575,762	586,267	586,267	(10,505)
Fund Balance, June 30, 2020	<u>\$ 542,401</u>	<u>\$ 0</u>	<u>\$ (10,397)</u>	<u>\$ 532,004</u>	<u>\$ 457,194</u>	<u>\$ 419,194</u>	<u>\$ 112,810</u>

Exhibit G-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 18,005	\$ 16,000	\$ 16,000	\$ 2,005
Total Revenues	\$ 18,005	\$ 16,000	\$ 16,000	\$ 2,005
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 0	\$ 45,250	\$ 0	\$ 0
Drug Enforcement	20,131	0	45,250	25,119
Total Expenditures	\$ 20,131	\$ 45,250	\$ 45,250	\$ 25,119
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,126)	\$ (29,250)	\$ (29,250)	\$ 27,124
Net Change in Fund Balance	\$ (2,126)	\$ (29,250)	\$ (29,250)	\$ 27,124
Fund Balance, July 1, 2019	63,151	65,747	65,747	(2,596)
Fund Balance, June 30, 2020	\$ 61,025	\$ 36,497	\$ 36,497	\$ 24,528

Exhibit G-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 112,640	\$ 106,619	\$ 112,237	\$ 403
Other Local Revenues	1,892	500	1,769	123
State of Tennessee	2,011,312	1,738,595	1,931,157	80,155
Total Revenues	<u>\$ 2,125,844</u>	<u>\$ 1,845,714</u>	<u>\$ 2,045,163</u>	<u>\$ 80,681</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 182,205	\$ 192,170	\$ 196,300	\$ 14,095
Highway and Bridge Maintenance	829,335	1,262,529	1,265,604	436,269
Operation and Maintenance of Equipment	170,219	211,535	216,710	46,491
Other Charges	63,461	66,533	68,453	4,992
Employee Benefits	73,506	78,408	78,408	4,902
Capital Outlay	424,491	366,500	556,299	131,808
Total Expenditures	<u>\$ 1,743,217</u>	<u>\$ 2,177,675</u>	<u>\$ 2,381,774</u>	<u>\$ 638,557</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 382,627</u>	<u>\$ (331,961)</u>	<u>\$ (336,611)</u>	<u>\$ 719,238</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,650	\$ 0	\$ 4,650	\$ 0
Total Other Financing Sources	<u>\$ 4,650</u>	<u>\$ 0</u>	<u>\$ 4,650</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 387,277	\$ (331,961)	\$ (331,961)	\$ 719,238
Fund Balance, July 1, 2019	<u>800,958</u>	<u>605,238</u>	<u>605,238</u>	<u>195,720</u>
Fund Balance, June 30, 2020	<u>\$ 1,188,235</u>	<u>\$ 273,277</u>	<u>\$ 273,277</u>	<u>\$ 914,958</u>

Exhibit G-8

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 474,921	\$ 443,597	\$ 443,597	\$ 31,324
Other Local Revenues	24,288	5,000	5,000	19,288
Other Governments and Citizens Groups	279,150	159,450	279,150	0
Total Revenues	<u>\$ 778,359</u>	<u>\$ 608,047</u>	<u>\$ 727,747</u>	<u>\$ 50,612</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 235,400	\$ 235,400	\$ 235,400	\$ 0
Education	378,701	270,432	378,702	1
<u>Interest on Debt</u>				
General Government	51,940	65,040	65,040	13,100
Education	187,463	195,216	206,646	19,183
<u>Other Debt Service</u>				
General Government	13,197	14,100	14,100	903
Education	7,255	7,370	7,370	115
Total Expenditures	<u>\$ 873,956</u>	<u>\$ 787,558</u>	<u>\$ 907,258</u>	<u>\$ 33,302</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (95,597)</u>	<u>\$ (179,511)</u>	<u>\$ (179,511)</u>	<u>\$ 83,914</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 146,085	\$ 146,087	\$ 146,087	(2)
Total Other Financing Sources	<u>\$ 146,085</u>	<u>\$ 146,087</u>	<u>\$ 146,087</u>	<u>(2)</u>
Net Change in Fund Balance	\$ 50,488	\$ (33,424)	\$ (33,424)	\$ 83,912
Fund Balance, July 1, 2019	433,835	448,907	448,907	(15,072)
Fund Balance, June 30, 2020	<u>\$ 484,323</u>	<u>\$ 415,483</u>	<u>\$ 415,483</u>	<u>\$ 68,840</u>

Exhibit G-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 369,889	\$ 345,000	\$ 345,000	\$ 24,889
Other Local Revenues	22,685	3,000	3,000	19,685
Other Governments and Citizens Groups	55,000	55,000	55,000	0
Total Revenues	<u>\$ 447,574</u>	<u>\$ 403,000</u>	<u>\$ 403,000</u>	<u>\$ 44,574</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 568,000	\$ 568,000	\$ 568,000	\$ 0
<u>Interest on Debt</u>				
Education	21,744	88,400	88,400	66,656
<u>Other Debt Service</u>				
Education	15,873	20,500	20,500	4,627
Total Expenditures	<u>\$ 605,617</u>	<u>\$ 676,900</u>	<u>\$ 676,900</u>	<u>\$ 71,283</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (158,043)</u>	<u>\$ (273,900)</u>	<u>\$ (273,900)</u>	<u>\$ 115,857</u>
Net Change in Fund Balance	\$ (158,043)	\$ (273,900)	\$ (273,900)	\$ 115,857
Fund Balance, July 1, 2019	<u>701,822</u>	<u>673,559</u>	<u>673,559</u>	<u>28,263</u>
Fund Balance, June 30, 2020	<u>\$ 543,779</u>	<u>\$ 399,659</u>	<u>\$ 399,659</u>	<u>\$ 144,120</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

Other Agency Fund – The Other Agency Fund is used to account for restricted revenue previously held by the City of Lebanon for the benefit of the Office of the District Attorney General.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of the District Attorney General.

Exhibit H-1

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency Funds				
	Constitu- tional Officers - Agency	Other Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 659,838	\$ 0	\$ 54,520	\$ 0	\$ 714,358
Equity in Pooled Cash and Investments	0	131,982	391,968	24,535	548,485
Accounts Receivable	740	0	6,910	0	7,650
Due from Other Governments	0	0	13,000	0	13,000
Total Assets	<u>\$ 660,578</u>	<u>\$ 131,982</u>	<u>\$ 466,398</u>	<u>\$ 24,535</u>	<u>\$ 1,283,493</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 4,394	\$ 0	\$ 4,394
Due to Other Funds	0	0	3,574	0	3,574
Due to Litigants, Heirs, and Others	660,578	131,982	39,667	24,535	856,762
Due to Joint Ventures	0	0	418,763	0	418,763
Total Liabilities	<u>\$ 660,578</u>	<u>\$ 131,982</u>	<u>\$ 466,398</u>	<u>\$ 24,535</u>	<u>\$ 1,283,493</u>

Exhibit H-2

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 699,804	\$ 2,727,087	\$ 2,767,053	\$ 659,838
Accounts Receivable	358	740	358	740
Total Assets	\$ 700,162	\$ 2,727,827	\$ 2,767,411	\$ 660,578
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 700,162	\$ 2,727,827	\$ 2,767,411	\$ 660,578
Total Liabilities	\$ 700,162	\$ 2,727,827	\$ 2,767,411	\$ 660,578
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 131,587	\$ 399	\$ 4	\$ 131,982
Total Assets	\$ 131,587	\$ 399	\$ 4	\$ 131,982
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 131,587	\$ 399	\$ 4	\$ 131,982
Total Liabilities	\$ 131,587	\$ 399	\$ 4	\$ 131,982
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 86,423	\$ 0	\$ 31,903	\$ 54,520
Equity in Pooled Cash and Investments	449,717	144,480	202,229	391,968
Accounts Receivable	4,924	6,910	4,924	6,910
Due from Other Governments	13,000	0	0	13,000
Total Assets	\$ 554,064	\$ 151,390	\$ 239,056	\$ 466,398
<u>Liabilities</u>				
Accounts Payable	\$ 25,291	\$ 4,394	\$ 25,291	\$ 4,394
Due to Other Funds	4,276	3,574	4,276	3,574
Due to Litigants, Heirs, and Others	74,841	39,667	74,841	39,667
Due to Joint Ventures	449,656	103,755	134,648	418,763
Total Liabilities	\$ 554,064	\$ 151,390	\$ 239,056	\$ 466,398

(Continued)

Exhibit H-2

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 22,934	\$ 23,436	\$ 21,835	\$ 24,535
Total Assets	\$ 22,934	\$ 23,436	\$ 21,835	\$ 24,535
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 22,934	\$ 23,436	\$ 21,835	\$ 24,535
Total Liabilities	\$ 22,934	\$ 23,436	\$ 21,835	\$ 24,535
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 786,227	\$ 2,727,087	\$ 2,798,956	\$ 714,358
Equity in Pooled Cash and Investments	604,238	168,315	224,068	548,485
Accounts Receivable	5,282	7,650	5,282	7,650
Due from Other Governments	13,000	0	0	13,000
Total Assets	\$ 1,408,747	\$ 2,903,052	\$ 3,028,306	\$ 1,283,493
<u>Liabilities</u>				
Accounts Payable	\$ 25,291	\$ 4,394	\$ 25,291	\$ 4,394
Due to Other Funds	4,276	3,574	4,276	3,574
Due to Litigants, Heirs, and Others	929,524	2,791,329	2,864,091	856,762
Due to Joint Ventures	449,656	103,755	134,648	418,763
Total Liabilities	\$ 1,408,747	\$ 2,903,052	\$ 3,028,306	\$ 1,283,493

Hartsville/Trousdale County School Department

This section presents fund financial statements for the Hartsville/Trousdale County School Department, a discretely presented component unit. The school department uses a General Fund and two Special Revenue Funds.

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

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

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

Exhibit I-1

Hartsville/Trousdale County Government, Tennessee
Statement of Activities
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2020

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	\$ 6,949,063	\$ 14,770	\$ 747,742	\$ 0	\$ (6,186,551)
Support Services	4,905,549	26,662	124,526	0	(4,754,361)
Operation of Non-instructional Services	1,113,852	46,294	900,562	0	(166,996)
Total Governmental Activities	\$ 12,968,464	\$ 87,726	\$ 1,772,830	\$ 0	\$ (11,107,908)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	1,549,550
Local Option Sales Tax					804,431
Business Tax					20,689
Mixed Drink Tax					3,875
Grants and Contributions Not Restricted to Specific Programs					8,315,424
Unrestricted Investment Income					2,270
Miscellaneous					10,871
Total General Revenues				\$	10,707,110
Change in Net Position				\$	(400,798)
Net Position, July 1, 2019					18,040,414
Net Position, June 30, 2020				\$	17,639,616

Exhibit I-2

Hartsville/Trousdale County Government, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
June 30, 2020

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Purpose</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>mental</u>	<u>Funds</u>
		<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 3,639,189	\$ 233,569	\$ 3,872,758
Accounts Receivable	270	220	490
Due from Other Governments	286,788	139,543	426,331
Property Taxes Receivable	1,679,425	0	1,679,425
Allowance for Uncollectible Property Taxes	(152,681)	0	(152,681)
Restricted Assets	72,162	0	72,162
Total Assets	<u>\$ 5,525,153</u>	<u>\$ 373,332</u>	<u>\$ 5,898,485</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 142,525	\$ 6,661	\$ 149,186
Accrued Payroll	4,822	3,007	7,829
Payroll Deductions Payable	376,963	32,995	409,958
Due to Primary Government	364	0	364
Total Liabilities	<u>\$ 524,674</u>	<u>\$ 42,663</u>	<u>\$ 567,337</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,491,668	\$ 0	\$ 1,491,668
Deferred Delinquent Property Taxes	33,351	0	33,351
Other Deferred/Unavailable Revenue	117,102	0	117,102
Total Deferred Inflows of Resources	<u>\$ 1,642,121</u>	<u>\$ 0</u>	<u>\$ 1,642,121</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 127,000	\$ 230,669	\$ 357,669
Restricted for Hybrid Retirement Stabilization Funds	72,162	0	72,162
Committed:			
Committed for Education	1,707,098	100,000	1,807,098
Unassigned	1,452,098	0	1,452,098
Total Fund Balances	<u>\$ 3,358,358</u>	<u>\$ 330,669</u>	<u>\$ 3,689,027</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,525,153</u>	<u>\$ 373,332</u>	<u>\$ 5,898,485</u>

Exhibit I-3

Hartsville/Trousdale County Government, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Hartsville/Trousdale County School Department
June 30, 2020

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)		\$ 3,689,027
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 719,043	
Add: buildings and improvements net of accumulated depreciation	14,399,809	
Add: other capital assets net of accumulated depreciation	793,023	
Add: intangibles net of accumulated depreciation	<u>27,967</u>	15,939,842
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	\$ (886,177)	
Less: contributions due on primary government debt for loans	<u>(2,203,519)</u>	(3,089,696)
(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	\$ 913,271	
Less: deferred inflows of resources related to pensions	(1,242,876)	
Add: deferred outflows of resources related to OPEB	226,407	
Less: deferred inflows of resources related to OPEB	<u>(225,544)</u>	(328,742)
(4) Net pension assets of the teacher legacy pension and teacher retirement plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 4,355	
Add: net pension asset - teacher legacy pension plan	1,183,867	
Add: net pension asset - teacher retirement plan	<u>90,510</u>	1,278,732
(5) Other long term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>150,453</u>
Net position of governmental activities (Exhibit A)		<u>\$ 17,639,616</u>

Exhibit I-4

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2020

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 2,599,496	\$ 0	\$ 2,599,496
Licenses and Permits	560	0	560
Charges for Current Services	24,921	46,294	71,215
Other Local Revenues	47,608	787	48,395
State of Tennessee	8,337,283	8,131	8,345,414
Federal Government	28,863	1,470,337	1,499,200
Total Revenues	<u>\$ 11,038,731</u>	<u>\$ 1,525,549</u>	<u>\$ 12,564,280</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 6,331,416	\$ 556,010	\$ 6,887,426
Support Services	4,062,006	114,038	4,176,044
Operation of Non-Instructional Services	227,912	894,800	1,122,712
Capital Outlay	648,476	0	648,476
Debt Service:			
Other Debt Service	334,150	0	334,150
Total Expenditures	<u>\$ 11,603,960</u>	<u>\$ 1,564,848</u>	<u>\$ 13,168,808</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (565,229)</u>	<u>\$ (39,299)</u>	<u>\$ (604,528)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 4,669	\$ 0	\$ 4,669
Transfers In	0	45,000	45,000
Transfers Out	(45,000)	0	(45,000)
Total Other Financing Sources (Uses)	<u>\$ (40,331)</u>	<u>\$ 45,000</u>	<u>\$ 4,669</u>
Net Change in Fund Balances	\$ (605,560)	\$ 5,701	\$ (599,859)
Fund Balance, July 1, 2019	3,963,918	324,968	4,288,886
Fund Balance, June 30, 2020	<u>\$ 3,358,358</u>	<u>\$ 330,669</u>	<u>\$ 3,689,027</u>

Exhibit I-5

Hartsville/Trousdale County Government, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2020

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)		\$ (599,859)
(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	\$ 496,849	
Less: current-year depreciation expense	<u>(736,510)</u>	(239,661)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donation) is to decrease net position.		(22,544)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$ (147,067)	
Add: deferred delinquent property taxes and other deferred June 30, 2020	<u>150,453</u>	3,386
(4) The contributions of long-term debt (e.g., notes, bonds, leases, loans) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on loans to primary government		265,701
(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 other postemployment benefits liability	\$ (134,286)	
Change in deferred outflows of resources related to pensions	(111,379)	
Change in deferred inflows of resources related to pensions	(409,502)	
Change in deferred outflows of resources related to OPEB	170,148	
Change in deferred inflows of resources related to OPEB	(73,312)	
Change in net pension liability/asset - agent plan	(60,415)	
Change in net pension liability/asset - teacher legacy pension plan	790,071	
Change in net pension liability/asset - teacher retirement plan	<u>20,854</u>	<u>192,179</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (400,798)</u>

Exhibit I-6

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
June 30, 2020

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 14,286	\$ 219,283	\$ 233,569
Accounts Receivable	0	220	220
Due from Other Governments	120,756	18,787	139,543
Total Assets	<u>\$ 135,042</u>	<u>\$ 238,290</u>	<u>\$ 373,332</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,945	\$ 716	\$ 6,661
Accrued Payroll	0	3,007	3,007
Payroll Deductions Payable	29,097	3,898	32,995
Total Liabilities	<u>\$ 35,042</u>	<u>\$ 7,621</u>	<u>\$ 42,663</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 230,669	\$ 230,669
Committed:			
Committed for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 100,000</u>	<u>\$ 230,669</u>	<u>\$ 330,669</u>
Total Liabilities and Fund Balances	<u>\$ 135,042</u>	<u>\$ 238,290</u>	<u>\$ 373,332</u>

Exhibit I-7

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 46,294	\$ 46,294
Other Local Revenues	0	787	787
State of Tennessee	0	8,131	8,131
Federal Government	670,048	800,289	1,470,337
Total Revenues	<u>\$ 670,048</u>	<u>\$ 855,501</u>	<u>\$ 1,525,549</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 556,010	\$ 0	\$ 556,010
Support Services	114,038	0	114,038
Operation of Non-Instructional Services	0	894,800	894,800
Total Expenditures	<u>\$ 670,048</u>	<u>\$ 894,800</u>	<u>\$ 1,564,848</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ (39,299)</u>	<u>\$ (39,299)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 45,000	\$ 45,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 45,000</u>	<u>\$ 45,000</u>
Net Change in Fund Balances	\$ 0	\$ 5,701	\$ 5,701
Fund Balance, July 1, 2019	100,000	224,968	324,968
Fund Balance, June 30, 2020	<u>\$ 100,000</u>	<u>\$ 230,669</u>	<u>\$ 330,669</u>

Exhibit I-8

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale County School Department
General Purpose School Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,599,496	\$ 2,359,855	\$ 2,359,855	\$ 239,641
Licenses and Permits	560	550	550	10
Charges for Current Services	24,921	22,000	22,000	2,921
Other Local Revenues	47,608	26,250	41,550	6,058
State of Tennessee	8,337,283	8,215,247	8,276,315	60,968
Federal Government	28,863	0	0	28,863
Total Revenues	\$ 11,038,731	\$ 10,623,902	\$ 10,700,270	\$ 338,461
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,985,560	\$ 5,206,750	\$ 5,085,903	\$ 100,343
Alternative Instruction Program	124,664	122,525	125,716	1,052
Special Education Program	874,174	897,030	953,080	78,906
Career and Technical Education Program	347,018	368,370	368,377	21,359
<u>Support Services</u>				
Attendance	26,768	27,645	27,645	877
Health Services	236,382	257,755	258,748	22,366
Other Student Support	247,132	261,495	294,747	47,615
Regular Instruction Program	371,988	383,425	409,249	37,261
Special Education Program	97,838	89,405	99,426	1,588
Career and Technical Education Program	32,624	32,165	32,670	46
Technology	149,328	166,095	153,095	3,767
Other Programs	24,539	0	24,539	0
Board of Education	160,985	177,895	181,100	20,115
Director of Schools	210,061	210,150	210,150	89
Office of the Principal	856,851	837,925	873,749	16,898
Fiscal Services	136,449	143,440	143,440	6,991
Operation of Plant	736,249	879,375	841,875	105,626
Maintenance of Plant	247,129	204,295	253,795	6,666
Transportation	527,683	625,868	591,868	64,185
<u>Operation of Non-Instructional Services</u>				
Community Services	120,994	132,305	140,691	19,697
Early Childhood Education	106,918	107,455	107,455	537
<u>Capital Outlay</u>				
Regular Capital Outlay	648,476	646,231	738,231	89,755
<u>Principal on Debt</u>				
Education	0	437,750	0	0
<u>Interest on Debt</u>				
Education	0	11,430	0	0
<u>Other Debt Service</u>				
Education	334,150	0	389,180	55,030
Total Expenditures	\$ 11,603,960	\$ 12,226,779	\$ 12,304,729	\$ 700,769
Excess (Deficiency) of Revenues Over Expenditures	\$ (565,229)	\$ (1,602,877)	\$ (1,604,459)	\$ 1,039,230

(Continued)

Exhibit I-8

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale County School Department
General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,669	\$ 0	\$ 0	\$ 4,669
Transfers Out	(45,000)	(45,000)	(45,000)	0
Total Other Financing Sources	\$ (40,331)	\$ (45,000)	\$ (45,000)	\$ 4,669
<u>Net Change in Fund Balance</u>				
Fund Balance, July 1, 2019	\$ 3,963,918	\$ 3,922,875	\$ 3,922,875	\$ 41,043
Fund Balance, June 30, 2020	\$ 3,358,358	\$ 2,274,998	\$ 2,273,416	\$ 1,084,942

Exhibit I-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 670,048	\$ 715,456	\$ 816,578	\$ (146,530)
Total Revenues	\$ 670,048	\$ 715,456	\$ 816,578	\$ (146,530)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 243,527	\$ 249,958	\$ 294,825	\$ 51,298
Special Education Program	279,635	276,956	315,279	35,644
Career and Technical Education Program	32,848	32,085	36,020	3,172
<u>Support Services</u>				
Other Student Support	1,493	5,500	1,507	14
Regular Instruction Program	83,419	116,737	133,168	49,749
Special Education Program	28,594	31,745	33,745	5,151
Career and Technical Education Program	532	975	532	0
Transportation	0	1,500	1,500	1,500
Total Expenditures	\$ 670,048	\$ 715,456	\$ 816,576	\$ 146,528
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 2	\$ (2)
Net Change in Fund Balance	\$ 0	\$ 0	\$ 2	\$ (2)
Fund Balance, July 1, 2019	100,000	100,000	100,000	0
Fund Balance, June 30, 2020	\$ 100,000	\$ 100,000	\$ 100,002	\$ (2)

Exhibit I-10

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 46,294	\$ 45,000	\$ 45,000	\$ 1,294
Other Local Revenues	787	1,000	1,000	(213)
State of Tennessee	8,131	7,000	7,000	1,131
Federal Government	800,289	854,000	854,000	(53,711)
Total Revenues	<u>\$ 855,501</u>	<u>\$ 907,000</u>	<u>\$ 907,000</u>	<u>\$ (51,499)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 894,800	\$ 987,670	\$ 988,395	\$ 93,595
Total Expenditures	<u>\$ 894,800</u>	<u>\$ 987,670</u>	<u>\$ 988,395</u>	<u>\$ 93,595</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (39,299)</u>	<u>\$ (80,670)</u>	<u>\$ (81,395)</u>	<u>\$ 42,096</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 45,000	\$ 44,275	\$ 45,000	\$ 0
Total Other Financing Sources	<u>\$ 45,000</u>	<u>\$ 44,275</u>	<u>\$ 45,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 5,701	\$ (36,395)	\$ (36,395)	\$ 42,096
Fund Balance, July 1, 2019	<u>224,968</u>	<u>164,306</u>	<u>164,306</u>	<u>60,662</u>
Fund Balance, June 30, 2020	<u>\$ 230,669</u>	<u>\$ 127,911</u>	<u>\$ 127,911</u>	<u>\$ 102,758</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Hartsville/Trousdale County Government, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2020

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Matured During Period	Outstanding 6-30-20
GOVERNMENTAL ACTIVITIES							
NOTES PAYABLE							
<u>Payable through General Debt Service Fund</u>							
Public Works Building Acquisition	\$ 650,000	2.98 %	5-28-15	6-1-25	\$ 355,000	\$ 64,000	\$ 291,000
Sheriff's Vehicle Acquisition	222,000	2.49	9-9-15	9-1-20	92,800	45,800	47,000
Solid Waste Truck Acquisition	151,007	2.48	2-3-16	2-1-21	62,800	31,000	31,800
Solid Waste Garbage Truck Acquisition	148,000	2.61	9-21-16	10-1-23	108,400	20,600	87,800
Total Payable through General Debt Service Fund					<u>\$ 619,000</u>	<u>\$ 161,400</u>	<u>\$ 457,600</u>
<u>Payable through Urban Services Fund</u>							
Garbage Truck Acquisition	290,545	3.04	5-30-13	5-1-23	\$ 97,000	\$ 30,000	\$ 67,000
Total Payable through Urban Services Fund					<u>\$ 97,000</u>	<u>\$ 30,000</u>	<u>\$ 67,000</u>
Total Notes Payable					<u>\$ 716,000</u>	<u>\$ 191,400</u>	<u>\$ 524,600</u>
OTHER LOANS PAYABLE							
<u>Payable through School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>							
Qualified School Construction Bonds, Series 2010	2,523,000	(1)	10-1-10	9-15-27	\$ 1,276,671	\$ 157,431	\$ 1,119,240
Energy Efficient School Improvements	1,352,974	1.00	12-12-16	1-1-30	1,192,549	108,270	1,084,279
Total Payable through School Department Contributions from the General Purpose School Fund to the General Debt Service Fund					<u>\$ 2,469,220</u>	<u>\$ 265,701</u>	<u>\$ 2,203,519</u>
<u>Payable through General Debt Service Fund</u>							
Energy Efficient School Loan	2,650,062	Variable	10-28-16	5-25-37	\$ 2,430,000	\$ 113,000	\$ 2,317,000
Criminal Justice Center Acquisition and Renovation	1,750,000	Variable	12-16-16	5-25-37	1,606,000	74,000	1,532,000
Total Payable through General Debt Service Fund					<u>\$ 4,036,000</u>	<u>\$ 187,000</u>	<u>\$ 3,849,000</u>
<u>Payable through Education Debt Service Fund</u>							
School Construction	8,500,000	Variable	8-30-02	5-25-22	\$ 1,719,859	\$ 568,000	\$ 1,151,859
Total Payable through Education Debt Service Fund					<u>\$ 1,719,859</u>	<u>\$ 568,000</u>	<u>\$ 1,151,859</u>
Total Other Loans Payable					<u>\$ 8,225,079</u>	<u>\$ 1,020,701</u>	<u>\$ 7,204,378</u>

(Continued)

Exhibit J-1

Hartsville/Trousdale County Government, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Matured During Period	Outstanding 6-30-20
<u>BUSINESS-TYPE ACTIVITIES</u>							
<u>BONDS PAYABLE</u>							
<u>Payable through Water and Sewer Fund</u>							
Water and Sewer Revenue, Series 2016	\$ 3,605,000	1.88 %	12-29-16	11-28-56	\$ 3,448,989	\$ 64,365	\$ 3,384,624
Water and Sewer Revenue, Series 2017	1,850,000	2.25	12-1-17	11-1-57	1,806,116	30,050	1,776,066
Total Bonds Payable					<u>\$ 5,255,105</u>	<u>\$ 94,415</u>	<u>\$ 5,160,690</u>

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy.

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 196,900	\$ 14,098	\$ 210,998
2022	121,700	9,257	130,957
2023	96,200	5,686	101,886
2024	94,800	2,890	97,690
2025	15,000	447	15,447
Total	<u>\$ 524,600</u>	<u>\$ 32,378</u>	<u>\$ 556,978</u>

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2021	\$ 1,046,783	\$ 175,888	\$ 18,861	\$ 1,241,532
2022	1,025,746	171,191	14,680	1,211,617
2023	467,993	166,640	10,104	644,737
2024	474,122	163,418	9,810	647,350
2025	478,251	160,145	9,508	647,904
2026	484,392	156,826	9,202	650,420
2027	506,764	153,443	8,889	669,096
2028	338,279	28,619	6,889	373,787
2029	344,446	24,199	6,224	374,869
2030	289,602	20,755	5,890	316,247
2031	234,000	18,150	5,550	257,700
2032	239,000	15,688	5,204	259,892
2033	245,000	13,173	4,851	263,024
2034	250,000	10,597	4,489	265,086
2035	255,000	7,967	4,120	267,087
2036	260,000	5,285	3,743	269,028
2037	265,000	2,550	3,108	270,658
Total	<u>\$ 7,204,378</u>	<u>\$ 1,294,534</u>	<u>\$ 131,122</u>	<u>\$ 8,630,034</u>

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

(Continued)

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Bonds		Total
	Principal	Interest	
2021	\$ 96,309	\$ 102,555	\$ 198,864
2022	98,248	100,616	198,864
2023	100,226	98,639	198,865
2024	102,141	96,723	198,864
2025	104,301	94,563	198,864
2026	106,403	92,460	198,863
2027	108,546	90,318	198,864
2028	110,639	88,226	198,865
2029	112,963	85,901	198,864
2030	115,239	83,625	198,864
2031	117,562	81,302	198,864
2032	119,848	79,016	198,864
2033	122,349	76,515	198,864
2034	124,817	74,047	198,864
2035	127,335	71,529	198,864
2036	129,829	69,035	198,864
2037	132,524	66,341	198,865
2038	135,198	63,666	198,864
2039	137,927	60,937	198,864
2040	140,648	58,216	198,864
2041	143,551	55,313	198,864
2042	146,450	52,414	198,864
2043	149,407	49,457	198,864
2044	152,374	46,490	198,864
2045	155,505	43,359	198,864
2046	158,647	40,217	198,864
2047	161,853	37,011	198,864
2048	165,087	33,777	198,864
2049	168,461	30,403	198,864
2050	171,868	26,996	198,864
2051	175,343	23,521	198,864
2052	178,867	19,997	198,864
2053	182,509	16,355	198,864
2054	186,202	12,662	198,864
2055	189,953	8,895	198,848
2056	193,790	5,057	198,847
2057	114,402	1,558	115,960
2058	23,369	0	23,369
Total	\$ 5,160,690	\$ 2,137,712	\$ 7,298,402

Exhibit J-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	QSCB subsidy payment	\$ 122,315
Urban Services	"	Debt contribution	<u>23,770</u>
Total Transfers Primary Government			<u>\$ 146,085</u>
<u>DISCRETELY PRESENTED HARTSVILLE/TROUSDALE</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Salaries	<u>\$ 45,000</u>
Total Transfers Discretely Presented Hartsville/ Trousdale County School Department			<u>\$ 45,000</u>

Exhibit J-4

Hartsville/Trousdale County Government, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 79,083 (1)	\$ (4)	Tennessee Risk Management Trust
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	75,318	(4)	"
Director of Schools	State Board of Education and Hartsville/Trousdale County Government Board of Education	95,000 (2)	(4)	"
Trustee	Section 8-24-102, <i>TCA</i>	68,471	(4)	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	68,471	(4)	"
County Clerk	Section 8-24-102, <i>TCA</i>	68,471	(4)	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	68,471	(4)	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	68,471	(4)	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	68,471	(4)	"
Sheriff	Section 8-24-102, <i>TCA</i>	75,318 (3)	(4)	"
Employee Blanket Bond Coverage:				
General County, Water Department, and Highway Employees			400,000	"
School Employees			400,000	"

- (1) Does not include \$600 for serving as chairman of the Highway Commission.
- (2) Does not include \$1,000 as a chief executive officer training supplement, \$1,740 as secretary of the Board of Education, and \$7,250 for a performance bonus.
- (3) Does not include a law enforcement training supplement of \$800.
- (4) Officials are covered by the employee blanket bond pursuant to Section 8-19-101, *TCA*.

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,813,432	\$ 438,488	\$ 614,523	\$ 442,878	\$ 0	\$ 0
Discount on Property Taxes	(33,316)	(3,952)	(7,273)	(5,248)	0	0
Trustee's Collections - Prior Year	80,547	23,284	14,126	14,991	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	49,230	13,761	8,659	9,145	0	0
Interest and Penalty	15,048	4,336	2,748	2,729	0	0
Payments in-Lieu-of Taxes - T.V.A.	29,137	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	679,966	0	0	0	0	0
Hotel/Motel Tax	137	0	0	0	0	0
Local Amusement Tax	68	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	20,785	0	0	0	0	0
Litigation Tax - Special Purpose	57,272	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	43,347	0	9,368	6,801	0	0
Mixed Drink Tax	3,889	0	0	0	0	0
Adequate Facilities/Development Tax	121,294	0	0	0	0	0
Other County Local Option Taxes	8,539	34,157	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	117,529	0	0	0	0	0
Wholesale Beer Tax	159,798	0	0	0	0	0
Other Statutory Local Taxes	0	50,364	0	0	0	0
Total Local Taxes	\$ 4,166,702	\$ 560,438	\$ 642,151	\$ 471,296	\$ 0	\$ 0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 7,663	\$ 19,947	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Building Permits	114,081	52,220	0	0	0	0
Other Permits	120	0	0	0	0	0
Total Licenses and Permits	\$ 121,864	\$ 72,167	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 428	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,890	0	0	0	0	0
Data Entry Fee - Circuit Court	515	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	9,662	0	0	0	0	0
Officers Costs	26,651	0	0	0	0	0
Game and Fish Fines	319	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	9,003
Jail Fees	3,775	0	0	0	0	0
DUI Treatment Fines	2,328	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,140	0	0	0	0	0
Courtroom Security Fee	21,251	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	204	0	0	0	0	0
Officers Costs	456	0	0	0	0	0
DUI Treatment Fines	570	0	0	0	0	0
Data Entry Fee - Juvenile Court	34	0	0	0	0	0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 990	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	420	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Fines	1,000	0	0	0	0	0
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	9,002
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	8,074	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	1,021	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 84,728	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,005
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 223,364	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	221,739	0	0	0	0
Surcharge - Waste Tire Disposal	0	0	532	0	0	0
Patient Charges	0	0	0	558,895	0	0
Zoning Studies	1,000	0	0	0	0	0
Service Charges	6,630	0	0	0	0	0
<u>Fees</u>						
Copy Fees	482	0	0	0	0	0
Telephone Commissions	31,341	0	0	0	0	0
Data Processing Fee - Register	3,860	0	0	0	0	0
Data Processing Fee - Sheriff	190	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,800	0	0	0	0	0
Data Processing Fee - County Clerk	1,148	0	0	0	0	0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Vehicle Insurance Coverage and Reinstatement Fees	\$ 290	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 46,741	\$ 221,739	\$ 223,896	\$ 558,895	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 128,965	\$ 0	\$ 0	\$ 64	\$ 0	\$ 0
Lease/Rentals	20,121	0	0	0	0	0
Sale of Materials and Supplies	0	400	0	0	0	0
Commissary Sales	7,053	0	0	0	0	0
Sale of Gasoline	17,598	0	0	0	0	0
Sale of Recycled Materials	0	0	39,351	0	0	0
Sale of Animals/Livestock	5,300	0	0	0	0	0
Miscellaneous Refunds	657	0	0	0	0	0
Expenditure Credits	20,697	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Property	8,070	0	0	6,210	0	0
Damages Recovered from Individuals	199	0	0	0	0	0
Contributions and Gifts	7,827	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	20,951	0	0	0	0	0
Total Other Local Revenues	\$ 237,438	\$ 400	\$ 39,351	\$ 6,274	\$ 0	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 114,163	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Circuit Court Clerk	\$ 25,916	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Sessions Court Clerk	70,662	0	0	0	0	0
Clerk and Master	27,904	0	0	0	0	0
Register	56,148	0	0	0	0	0
Sheriff	8,014	0	0	0	0	0
Trustee	210,868	0	0	0	0	0
Total Fees Received From County Officials	\$ 513,675	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	12,550	0	0	0	0	0
Solid Waste Grants	0	0	239,504	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	16,800	800	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	11,372	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	42,924	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	33,990	0	0	0	0	0
Beer Tax	19,285	0	0	0	0	0
Vehicle Certificate of Title Fees	5,774	0	0	0	0	0
Alcoholic Beverage Tax	0	20,307	0	0	0	0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Revenue Sharing - Telecommunications	\$ 19,682	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Emergency Hospital - Prisoners	1,546	0	0	0	0	0
Contracted Prisoner Boarding	291,174	0	0	0	57,802,020	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	0	214,556	0	0	0	0
Other State Revenues	1,564	0	5,705	0	0	0
Total State of Tennessee	\$ 480,825	\$ 235,663	\$ 245,209	\$ 0	\$ 57,802,020	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 63,007	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	5,000	0	0	0	0	0
COVID-19 Grant #1	2,102	0	0	0	0	0
COVID-19 Grant #2	15,393	0	0	0	0	0
Other Federal through State	20,797	417,706	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	8,383	0	0	0	0	0
Tax Credit Bond Rebate	114,915	0	0	0	0	0
COVID-19 Grant #6	0	0	0	13,512	0	0
Other Direct Federal Revenue	9,819	0	0	0	0	0
Total Federal Government	\$ 239,416	\$ 417,706	\$ 0	\$ 13,512	\$ 0	\$ 0

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Special Purpose	Drug Control
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 5,005	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	3,930	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	13,438	0	0	0	0	0
<u>Other</u>						
Other	1,954	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 24,327</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 5,915,716</u>	<u>\$ 1,508,113</u>	<u>\$ 1,150,607</u>	<u>\$ 1,049,977</u>	<u>\$ 57,802,020</u>	<u>\$ 18,005</u>

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special	Debt Service Funds			Total
	Revenue Fund	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 106,704	\$ 428,914	\$ 0	\$ 0	\$ 4,844,939
Discount on Property Taxes	(1,264)	(5,080)	0	0	(56,133)
Trustee's Collections - Prior Year	3,056	13,434	0	0	149,438
Circuit Clerk/Clerk and Master Collections - Prior Years	2,096	8,202	0	0	91,093
Interest and Penalty	571	2,474	0	0	27,906
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	29,137
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	679,966
Hotel/Motel Tax	0	0	0	0	137
Local Amusement Tax	0	0	0	0	68
Wheel Tax	0	0	369,889	0	369,889
Litigation Tax - General	0	0	0	0	20,785
Litigation Tax - Special Purpose	0	0	0	0	57,272
Litigation Tax - Jail, Workhouse, or Courthouse	0	20,385	0	0	20,385
Business Tax	1,477	6,592	0	0	67,585
Mixed Drink Tax	0	0	0	0	3,889
Adequate Facilities/Development Tax	0	0	0	0	121,294
Other County Local Option Taxes	0	0	0	0	42,696
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	117,529
Wholesale Beer Tax	0	0	0	0	159,798
Other Statutory Local Taxes	0	0	0	0	50,364
Total Local Taxes	\$ 112,640	\$ 474,921	\$ 369,889	\$ 0	\$ 6,798,037

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special	Debt Service Funds			Total
	Revenue Fund	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	27,610
<u>Permits</u>					
Building Permits	0	0	0	0	166,301
Other Permits	0	0	0	0	120
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	194,031
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	428
Officers Costs	0	0	0	0	1,890
Data Entry Fee - Circuit Court	0	0	0	0	515
<u>General Sessions Court</u>					
Fines	0	0	0	0	9,662
Officers Costs	0	0	0	0	26,651
Game and Fish Fines	0	0	0	0	319
Drug Control Fines	0	0	0	0	9,003
Jail Fees	0	0	0	0	3,775
DUI Treatment Fines	0	0	0	0	2,328
Data Entry Fee - General Sessions Court	0	0	0	0	5,140
Courtroom Security Fee	0	0	0	0	21,251
<u>Juvenile Court</u>					
Fines	0	0	0	0	204
Officers Costs	0	0	0	0	456
DUI Treatment Fines	0	0	0	0	570
Data Entry Fee - Juvenile Court	0	0	0	0	34

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special	Debt Service Funds		Total
	Revenue Fund	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Chancery Court</u>				
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 990
Data Entry Fee - Chancery Court	0	0	0	420
<u>Judicial District Drug Program</u>				
Fines	0	0	0	1,000
Drug Task Force Forfeitures and Seizures	0	0	0	9,002
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	8,074
Other Fines, Forfeitures, and Penalties	0	0	0	1,021
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 102,733
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 223,364
Residential Waste Collection Charge	0	0	0	221,739
Surcharge - Waste Tire Disposal	0	0	0	532
Patient Charges	0	0	0	558,895
Zoning Studies	0	0	0	1,000
Service Charges	0	0	0	6,630
<u>Fees</u>				
Copy Fees	0	0	0	482
Telephone Commissions	0	0	0	31,341
Data Processing Fee - Register	0	0	0	3,860
Data Processing Fee - Sheriff	0	0	0	190
Sexual Offender Registration Fee - Sheriff	0	0	0	1,800
Data Processing Fee - County Clerk	0	0	0	1,148

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds			Total
	Highway / Public Works	General Debt Service	Education Debt Service		
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Vehicle Insurance Coverage and Reinstatement Fees	\$ 0	\$ 0	\$ 0	\$ 0	290
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	1,051,271
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 1,051	\$ 24,288	\$ 22,685	\$ 0	177,053
Lease/Rentals	0	0	0	0	20,121
Sale of Materials and Supplies	0	0	0	0	400
Commissary Sales	0	0	0	0	7,053
Sale of Gasoline	0	0	0	0	17,598
Sale of Recycled Materials	0	0	0	0	39,351
Sale of Animals/Livestock	0	0	0	0	5,300
Miscellaneous Refunds	0	0	0	0	657
Expenditure Credits	0	0	0	0	20,697
<u>Nonrecurring Items</u>					
Sale of Property	0	0	0	0	14,280
Damages Recovered from Individuals	841	0	0	0	1,040
Contributions and Gifts	0	0	0	0	7,827
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	20,951
Total Other Local Revenues	\$ 1,892	\$ 24,288	\$ 22,685	\$ 0	332,328
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	114,163

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special	Debt Service Funds			Total
	Revenue Fund	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary (Cont.)</u>					
Circuit Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	25,916
General Sessions Court Clerk	0	0	0	0	70,662
Clerk and Master	0	0	0	0	27,904
Register	0	0	0	0	56,148
Sheriff	0	0	0	0	8,014
Trustee	0	0	0	0	210,868
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	513,675
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Aging Programs	0	0	0	0	12,550
Solid Waste Grants	0	0	0	0	239,504
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	17,600
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	0	0	0	0	11,372
<u>Public Works Grants</u>					
State Aid Program	283,434	0	0	0	283,434
Litter Program	0	0	0	0	42,924
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	33,990
Beer Tax	0	0	0	0	19,285
Vehicle Certificate of Title Fees	0	0	0	0	5,774
Alcoholic Beverage Tax	0	0	0	0	20,307

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds			Total
	Highway / Public Works	General Debt Service	Education Debt Service		
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
State Revenue Sharing - Telecommunications	\$ 0	\$ 0	\$ 0	\$ 0	19,682
Emergency Hospital - Prisoners	0	0	0	0	1,546
Contracted Prisoner Boarding	0	0	0	0	58,093,194
Gasoline and Motor Fuel Tax	1,717,496	0	0	0	1,717,496
Petroleum Special Tax	10,382	0	0	0	10,382
Registrar's Salary Supplement	0	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	0	214,556
Other State Revenues	0	0	0	0	7,269
Total State of Tennessee	\$ 2,011,312	\$ 0	\$ 0	\$ 0	\$ 60,775,029
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	63,007
Homeland Security Grants	0	0	0	0	5,000
COVID-19 Grant #1	0	0	0	0	2,102
COVID-19 Grant #2	0	0	0	0	15,393
Other Federal through State	0	0	0	0	438,503
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	8,383
Tax Credit Bond Rebate	0	0	0	0	114,915
COVID-19 Grant #6	0	0	0	0	13,512
Other Direct Federal Revenue	0	0	0	0	9,819
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 670,634

(Continued)

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Funds		Total
	Highway / Public Works	General Debt Service	Education Debt Service	
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 279,150	\$ 55,000	\$ 339,155
Contracted Services	0	0	0	3,930
<u>Citizens Groups</u>				
Donations	0	0	0	13,438
<u>Other</u>				
Other	0	0	0	1,954
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 279,150</u>	<u>\$ 55,000</u>	<u>\$ 358,477</u>
Total	<u>\$ 2,125,844</u>	<u>\$ 778,359</u>	<u>\$ 447,574</u>	<u>\$ 70,796,215</u>

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,495,603	\$ 0	\$ 0	\$ 1,495,603
Discount on Property Taxes	(17,696)	0	0	(17,696)
Trustee's Collections - Prior Year	42,781	0	0	42,781
Circuit Clerk/Clerk and Master Collections - Prior Years	29,343	0	0	29,343
Interest and Penalty	7,993	0	0	7,993
Payments in-Lieu-of Taxes - T.V.A.	230,477	0	0	230,477
<u>County Local Option Taxes</u>				
Local Option Sales Tax	786,431	0	0	786,431
Business Tax	20,689	0	0	20,689
Mixed Drink Tax	3,875	0	0	3,875
Total Local Taxes	<u>\$ 2,599,496</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,599,496</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 560	\$ 0	\$ 0	\$ 560
Total Licenses and Permits	<u>\$ 560</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 560</u>
<u>Charges for Current Services</u>				
<u>Fees</u>				
Copy Fees	\$ 7	\$ 0	\$ 0	\$ 7
<u>Education Charges</u>				
Tuition - Other	14,770	0	0	14,770
Lunch Payments - Adults	0	0	16,663	16,663
A la Carte Sales	0	0	29,631	29,631

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Receipts from Individual Schools	\$ 10,144	\$ 0	\$ 0	\$ 10,144
Total Charges for Current Services	<u>\$ 24,921</u>	<u>\$ 0</u>	<u>\$ 46,294</u>	<u>\$ 71,215</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 2,270	\$ 0	\$ 0	\$ 2,270
Lease/Rentals	16,511	0	0	16,511
Rebates	0	0	567	567
Miscellaneous Refunds	10,084	0	220	10,304
<u>Nonrecurring Items</u>				
Contributions and Gifts	18,743	0	0	18,743
Total Other Local Revenues	<u>\$ 47,608</u>	<u>\$ 0</u>	<u>\$ 787</u>	<u>\$ 48,395</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 24,539	\$ 0	\$ 0	\$ 24,539
<u>State Education Funds</u>				
Basic Education Program	7,789,000	0	0	7,789,000
Early Childhood Education	99,819	0	0	99,819
School Food Service	0	0	8,131	8,131
Other State Education Funds	366,973	0	0	366,973
Career Ladder Program	9,616	0	0	9,616
<u>Other State Revenues</u>				
Other State Grants	47,336	0	0	47,336
Total State of Tennessee	<u>\$ 8,337,283</u>	<u>\$ 0</u>	<u>\$ 8,131</u>	<u>\$ 8,345,414</u>

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 387,726	\$ 387,726
USDA - Commodities	0	0	57,234	57,234
Breakfast	0	0	259,491	259,491
USDA - Other	0	0	95,838	95,838
Vocational Education - Basic Grants to States	0	34,873	0	34,873
Title I Grants to Local Education Agencies	0	276,644	0	276,644
Special Education - Grants to States	28,863	300,238	0	329,101
Special Education Preschool Grants	0	7,992	0	7,992
Rural Education	0	20,801	0	20,801
Eisenhower Professional Development State Grants	0	18,655	0	18,655
Other Federal through State	0	10,845	0	10,845
Total Federal Government	<u>\$ 28,863</u>	<u>\$ 670,048</u>	<u>\$ 800,289</u>	<u>\$ 1,499,200</u>
Total	<u>\$ 11,038,731</u>	<u>\$ 670,048</u>	<u>\$ 855,501</u>	<u>\$ 12,564,280</u>

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	41,551	
Other Per Diem and Fees		21,924	
Social Security		3,907	
Employer Medicare		914	
Audit Services		2,991	
Dues and Memberships		1,000	
Legal Notices, Recording, and Court Costs		685	
Printing, Stationery, and Forms		19	
Travel		1,606	
In Service/Staff Development		1,195	
Other Charges		123	
Total County Commission			\$ 75,915

County Mayor/Executive

County Official/Administrative Officer	\$	79,083	
Assistant(s)		37,408	
Clerical Personnel		63,422	
Part-time Personnel		13,267	
Overtime Pay		4,055	
Social Security		12,274	
Pensions		9,198	
Medical Insurance		11,544	
Employer Medicare		2,870	
Advertising		98	
Communication		564	
Data Processing Services		15,947	
Dues and Memberships		1,000	
Legal Notices, Recording, and Court Costs		76	
Printing, Stationery, and Forms		1,139	
Travel		551	
Office Supplies		1,130	
In Service/Staff Development		885	
Office Equipment		1,884	
Total County Mayor/Executive			256,395

County Attorney

County Official/Administrative Officer	\$	28,694	
Total County Attorney			28,694

Election Commission

County Official/Administrative Officer	\$	61,624	
Deputy(ies)		1,492	
Election Commission		5,775	
Election Workers		4,475	
Social Security		4,231	
Pensions		3,081	
Employer Medicare		990	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Data Processing Services	\$	2,867	
Dues and Memberships		350	
Evaluation and Testing		162	
Legal Notices, Recording, and Court Costs		2,050	
Maintenance and Repair Services - Equipment		14,617	
Postal Charges		514	
Printing, Stationery, and Forms		1,089	
Travel		49	
Office Supplies		924	
In Service/Staff Development		15	
Other Charges		324	
Office Equipment		330	
Total Election Commission			\$ 104,959

Register of Deeds

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		15,854	
Social Security		5,228	
Pensions		3,424	
Medical Insurance		5,772	
Employer Medicare		1,223	
Data Processing Services		3,577	
Dues and Memberships		585	
Maintenance and Repair Services - Office Equipment		69	
Printing, Stationery, and Forms		1,084	
Office Supplies		1,431	
Other Charges		1,950	
Total Register of Deeds			108,668

Planning

County Official/Administrative Officer	\$	43,386	
Overtime Pay		467	
Board and Committee Members Fees		2,790	
Social Security		2,734	
Pensions		2,193	
Employer Medicare		639	
Communication		478	
Dues and Memberships		135	
Evaluation and Testing		66	
Legal Notices, Recording, and Court Costs		1,002	
Maintenance and Repair Services - Vehicles		49	
Other Contracted Services		12,960	
Gasoline		415	
Library Books/Media		106	
Office Supplies		303	
Periodicals		36	
Uniforms		215	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Other Supplies and Materials	\$	135	
In Service/Staff Development		2,210	
Other Charges		828	
Office Equipment		2,775	
Total Planning			\$ 73,922

Codes Compliance

Legal Notices, Recording, and Court Costs	\$	147	
Total Codes Compliance			147

County Buildings

Attendants	\$	9,963	
Custodial Personnel		17,447	
Overtime Pay		22	
Social Security		1,679	
Pensions		1,245	
Medical Insurance		11,544	
Employer Medicare		392	
Communication		655	
Maintenance and Repair Services - Buildings		37,967	
Maintenance and Repair Services - Equipment		2,046	
Pest Control		2,340	
Other Contracted Services		30,325	
Custodial Supplies		5,478	
Electricity		55,461	
Natural Gas		18,436	
Water and Sewer		6,620	
Other Supplies and Materials		217	
Other Charges		4,338	
Furniture and Fixtures		2,009	
Site Development		210	
Other Equipment		309	
Total County Buildings			208,703

Preservation of Records

Office Supplies	\$	432	
Other Supplies and Materials		174	
Other Equipment		2,262	
Total Preservation of Records			2,868

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		27,581	
Overtime Pay		3	
Social Security		5,792	
Pensions		4,803	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Medical Insurance	\$	11,556	
Employer Medicare		1,355	
Data Processing Services		3,000	
Dues and Memberships		1,000	
Maintenance and Repair Services - Vehicles		80	
Printing, Stationery, and Forms		2,519	
Rentals		768	
Travel		463	
Other Contracted Services		4,095	
Gasoline		518	
Office Supplies		512	
In Service/Staff Development		235	
Other Charges		30	
Total Property Assessor's Office			\$ 132,781

County Trustee's Office

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		27,468	
Overtime Pay		159	
Social Security		5,744	
Pensions		4,805	
Medical Insurance		11,556	
Employer Medicare		1,343	
Data Processing Services		9,486	
Dues and Memberships		590	
Printing, Stationery, and Forms		2,511	
Office Supplies		348	
In Service/Staff Development		100	
Office Equipment		133	
Total County Trustee's Office			132,714

County Clerk's Office

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		29,120	
Overtime Pay		98	
Social Security		5,864	
Pensions		4,885	
Medical Insurance		11,556	
Employer Medicare		1,372	
Data Processing Services		4,514	
Dues and Memberships		590	
Printing, Stationery, and Forms		440	
Office Supplies		801	
In Service/Staff Development		100	
Furniture and Fixtures		85	
Office Equipment		3,050	
Total County Clerk's Office			130,946

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Data Processing

Communication	\$	26,594	
Internet Connectivity		27,864	
Other Contracted Services		5,953	
Communication Equipment		8,040	
Total Data Processing			\$ 68,451

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		62,842	
Overtime Pay		37	
Jury and Witness Expense		5,238	
Social Security		7,714	
Pensions		6,275	
Medical Insurance		15,879	
Employer Medicare		1,804	
Data Processing Services		7,124	
Legal Notices, Recording, and Court Costs		147	
Printing, Stationery, and Forms		1,032	
Office Supplies		604	
Periodicals		172	
Furniture and Fixtures		170	
Total Circuit Court			177,509

General Sessions Court

Judge(s)	\$	74,935	
Social Security		4,480	
Pensions		3,747	
Medical Insurance		5,784	
Employer Medicare		1,048	
Legal Services		4,440	
Total General Sessions Court			94,434

Chancery Court

County Official/Administrative Officer	\$	68,471	
Deputy(ies)		27,040	
Social Security		5,777	
Pensions		4,516	
Medical Insurance		11,556	
Employer Medicare		1,351	
Data Processing Services		5,304	
Dues and Memberships		140	
Legal Notices, Recording, and Court Costs		459	
Printing, Stationery, and Forms		427	
Office Supplies		434	
Periodicals		387	
In Service/Staff Development		100	
Furniture and Fixtures		170	
Total Chancery Court			126,132

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

Social Security	\$	1,539	
Employer Medicare		360	
Communication		935	
Travel		1,810	
Other Contracted Services		24,829	
Total Judicial Commissioners			\$ 29,473

Courtroom Security

Deputy(ies)	\$	72,395	
Overtime Pay		660	
Social Security		4,534	
Pensions		2,628	
Medical Insurance		5,772	
Employer Medicare		1,060	
Advertising		98	
Evaluation and Testing		266	
Uniforms		316	
Other Equipment		19,253	
Total Courtroom Security			106,982

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,318	
Deputy(ies)		517,357	
Salary Supplements		12,800	
Dispatchers/Radio Operators		123,306	
School Resource Officer		62,083	
Overtime Pay		55,960	
Social Security		49,127	
Pensions		36,244	
Medical Insurance		101,207	
Employer Medicare		11,489	
Communication		2,789	
Data Processing Services		151	
Dues and Memberships		1,965	
Evaluation and Testing		5,454	
Legal Notices, Recording, and Court Costs		424	
Maintenance and Repair Services - Buildings		6,585	
Maintenance and Repair Services - Equipment		17,951	
Maintenance and Repair Services - Office Equipment		2,245	
Maintenance and Repair Services - Vehicles		24,577	
Medical and Dental Services		234	
Pest Control		300	
Postal Charges		444	
Printing, Stationery, and Forms		1,072	
Rentals		18,819	
Towing Services		1,150	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Travel	\$	3,094	
Animal Food and Supplies		215	
Custodial Supplies		2,008	
Electricity		10,166	
Gasoline		27,383	
Law Enforcement Supplies		18,710	
Natural Gas		2,613	
Office Supplies		3,160	
Uniforms		18,508	
Water and Sewer		1,800	
Other Supplies and Materials		41	
Judgments		213	
In Service/Staff Development		17,860	
Other Charges		604	
Law Enforcement Equipment		8,401	
Motor Vehicles		11,817	
Office Equipment		12,412	
Other Equipment		140	
Total Sheriff's Department			\$ 1,268,196

Drug Enforcement

Deputy(ies)	\$	50,908	
Overtime Pay		103	
Social Security		3,088	
Pensions		2,491	
Medical Insurance		5,772	
Employer Medicare		722	
Gasoline		1,226	
Total Drug Enforcement			64,310

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	150	
Other Equipment		252	
Total Administration of the Sexual Offender Registry			402

Jail

Guards	\$	530,519	
Cafeteria Personnel		65,182	
Overtime Pay		1,452	
Social Security		36,113	
Pensions		25,123	
Medical Insurance		88,543	
Employer Medicare		8,446	
Data Processing Services		8,997	
Dues and Memberships		100	
Evaluation and Testing		2,604	
Maintenance and Repair Services - Buildings		11,241	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance and Repair Services - Equipment	\$	5,753	
Medical and Dental Services		121,262	
Pest Control		300	
Postal Charges		1,700	
Printing, Stationery, and Forms		1,160	
Rentals		84	
Travel		2,434	
Custodial Supplies		12,106	
Electricity		12,875	
Food Supplies		53,754	
Law Enforcement Supplies		288	
Natural Gas		3,778	
Office Supplies		1,887	
Prisoners Clothing		2,424	
Uniforms		1,671	
Water and Sewer		4,897	
Other Supplies and Materials		2,529	
In Service/Staff Development		400	
Other Charges		220	
Building Improvements		9,992	
Communication Equipment		50	
Office Equipment		405	
Other Equipment		652	
Total Jail			\$ 1,018,941

Workhouse

Guards	\$	52,966	
Overtime Pay		230	
Social Security		3,228	
Pensions		2,473	
Medical Insurance		11,550	
Employer Medicare		755	
Maintenance and Repair Services - Equipment		577	
Maintenance and Repair Services - Vehicles		1,772	
Gasoline		3,270	
Uniforms		114	
Other Supplies and Materials		452	
Motor Vehicles		39,963	
Other Equipment		1,590	
Total Workhouse			118,940

Juvenile Services

Other Salaries and Wages	\$	33,005	
Social Security		1,379	
Pensions		1,650	
Medical Insurance		5,784	
Employer Medicare		323	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Office Supplies	\$	78	
Other Supplies and Materials		252	
Total Juvenile Services			\$ 42,471

Fire Prevention and Control

Other Per Diem and Fees	\$	56,520	
Contributions		1,000	
Dues and Memberships		50	
Evaluation and Testing		527	
Maintenance and Repair Services - Buildings		504	
Maintenance and Repair Services - Equipment		5,645	
Maintenance and Repair Services - Vehicles		13,044	
Pest Control		360	
Custodial Supplies		743	
Electricity		1,971	
Gasoline		840	
Natural Gas		1,683	
Uniforms		6,037	
Water and Sewer		545	
Workers' Compensation Insurance		2,518	
In Service/Staff Development		2,828	
Other Charges		100	
Motor Vehicles		279,040	
Other Equipment		19,931	
Total Fire Prevention and Control			393,886

Rescue Squad

Other Per Diem and Fees	\$	21,450	
Contributions		505	
Evaluation and Testing		125	
Maintenance and Repair Services - Buildings		988	
Maintenance and Repair Services - Equipment		482	
Maintenance and Repair Services - Vehicles		2,613	
Custodial Supplies		35	
Electricity		1,096	
Gasoline		545	
Natural Gas		990	
Uniforms		7,558	
In Service/Staff Development		700	
Other Charges		311	
Communication Equipment		948	
Site Development		676	
Other Equipment		36,365	
Total Rescue Squad			75,387

Other Emergency Management

Supervisor/Director	\$	62,130	
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(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Deputy(ies)	\$	17,809	
Social Security		4,529	
Pensions		3,106	
Employer Medicare		1,059	
Communication		68	
Custodial Supplies		25	
Uniforms		88	
Communication Equipment		351	
Other Equipment		16,621	
Total Other Emergency Management	\$		105,786

Inspection and Regulation

Drugs and Medical Supplies	\$	123	
Total Inspection and Regulation			123

County Coroner/Medical Examiner

Other Contracted Services	\$	22,500	
Other Charges		1,348	
Total County Coroner/Medical Examiner			23,848

Public Health and Welfare

Local Health Center

Communication	\$	460	
Contributions		13,004	
Dues and Memberships		300	
Maintenance and Repair Services - Buildings		2,345	
Pest Control		300	
Postal Charges		508	
Custodial Supplies		75	
Drugs and Medical Supplies		26	
Electricity		3,688	
Natural Gas		1,690	
Office Supplies		231	
Periodicals		36	
Water and Sewer		691	
Other Charges		45	
Total Local Health Center			23,399

Rabies and Animal Control

Attendants	\$	23,928	
Part-time Personnel		10,294	
Overtime Pay		288	
Social Security		2,140	
Pensions		1,211	
Medical Insurance		5,772	
Employer Medicare		500	
Communication		84	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Maintenance and Repair Services - Buildings	\$	6,719	
Travel		484	
Veterinary Services		4,426	
Animal Food and Supplies		485	
Custodial Supplies		248	
Electricity		1,621	
Water and Sewer		703	
Other Supplies and Materials		965	
Refunds		125	
Site Development		800	
Total Rabies and Animal Control			\$ 60,793

Alcohol and Drug Programs

Social Security	\$	13	
Pensions		15	
Employer Medicare		3	
Drug Treatment		1,190	
Other Contracted Services		300	
Instructional Supplies and Materials		1,010	
Total Alcohol and Drug Programs			2,531

Other Local Health Services

Contracts with Government Agencies	\$	22,798	
Total Other Local Health Services			22,798

Sanitation Education/Information

Education Media Personnel	\$	14,952	
Guards		10,933	
Social Security		1,591	
Pensions		1,195	
Employer Medicare		373	
Advertising		72	
Custodial Supplies		1,482	
Gasoline		607	
Instructional Supplies and Materials		293	
Other Supplies and Materials		8,554	
Total Sanitation Education/Information			40,052

Other Public Health and Welfare

Contributions	\$	9,500	
Total Other Public Health and Welfare			9,500

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	32,922	
Overtime Pay		57	
Social Security		2,029	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Pensions	\$	1,649	
Employer Medicare		474	
Communication		156	
Evaluation and Testing		75	
Travel		32	
Gasoline		599	
Office Supplies		379	
Other Supplies and Materials		2,763	
In Service/Staff Development		135	
Motor Vehicles		18	
Total Senior Citizens Assistance			\$ 41,288

Libraries

Assistant(s)	\$	40,539	
Librarians		33,197	
Social Security		4,146	
Pensions		3,687	
Medical Insurance		11,556	
Employer Medicare		970	
Contributions		5,099	
Data Processing Services		1,202	
Licenses		408	
Maintenance and Repair Services - Buildings		20	
Pest Control		300	
Travel		224	
Other Contracted Services		4,080	
Custodial Supplies		235	
Electricity		4,455	
Library Books/Media		5,524	
Natural Gas		2,739	
Office Supplies		807	
Water and Sewer		525	
Other Supplies and Materials		519	
Premiums on Corporate Surety Bonds		62	
In Service/Staff Development		45	
Total Libraries			120,339

Parks and Fair Boards

Supervisor/Director	\$	9,017	
Laborers		15,786	
Temporary Personnel		19,252	
Social Security		2,703	
Pensions		1,240	
Medical Insurance		6,941	
Employer Medicare		632	
Dues and Memberships		680	
Engineering Services		20,000	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Evaluation and Testing	\$	177	
Maintenance and Repair Services - Buildings		285	
Maintenance and Repair Services - Equipment		3,084	
Maintenance and Repair Services - Vehicles		362	
Custodial Supplies		2,070	
Electricity		9,263	
Fertilizer, Lime, and Seed		276	
Food Supplies		86	
Gasoline		1,141	
Water and Sewer		2,401	
Chemicals		196	
Other Supplies and Materials		841	
Site Development		935	
Other Equipment		90	
Total Parks and Fair Boards			\$ 97,458

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	19,310	
Secretary(ies)		11,175	
Social Security		2,217	
Pensions		5,224	
Medical Insurance		2,306	
Contributions		4,000	
Dues and Memberships		332	
Travel		1,000	
Office Supplies		1,544	
Other Supplies and Materials		420	
Workers' Compensation Insurance		20	
Other Charges		3	
Office Equipment		1,410	
Total Agricultural Extension Service			48,961

Soil Conservation

Contributions	\$	13,227	
Total Soil Conservation			13,227

Other Operations

Other Economic and Community Development

Advertising	\$	104	
Contracts with Government Agencies		63,056	
In Service/Staff Development		660	
Total Other Economic and Community Development			63,820

Veterans' Services

Other Salaries and Wages	\$	10,302	
Social Security		639	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Employer Medicare	\$	149	
Communication		624	
Data Processing Services		449	
Dues and Memberships		68	
Other Contracted Services		109	
Office Equipment		215	
Total Veterans' Services			\$ 12,555

Other Charges

Dues and Memberships	\$	119	
Evaluation and Testing		832	
Legal Notices, Recording, and Court Costs		17	
Maintenance Agreements		15,588	
Postal Charges		10,741	
Rentals		18,356	
Electricity		1,473	
Fuel Oil		16,861	
Other Supplies and Materials		168	
Liability Insurance		77,717	
Trustee's Commission		75,358	
Workers' Compensation Insurance		91,327	
Liability Claims		500	
Other Charges		142	
Total Other Charges			309,199

Employee Benefits

Unemployment Compensation	\$	4,510	
Total Employee Benefits			4,510

Miscellaneous

Contributions	\$	15,000	
Dues and Memberships		4,002	
Total Miscellaneous			19,002

Total General Fund \$ 5,861,415

Urban Services Fund

Public Safety

Sheriff's Department

Deputy(ies)	\$	203,526	
Salary Supplements		2,400	
Dispatchers/Radio Operators		60,597	
Overtime Pay		28,211	
Social Security		18,216	
Pensions		18,259	
Medical Insurance		32,255	
Employer Medicare		4,260	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Evaluation and Testing	\$	266	
Maintenance Agreements		21,636	
Maintenance and Repair Services - Equipment		1,375	
Maintenance and Repair Services - Vehicles		4,223	
Printing, Stationery, and Forms		13	
Gasoline		7,856	
Uniforms		864	
In Service/Staff Development		75	
Motor Vehicles		5,398	
Total Sheriff's Department	\$		409,430

Fire Prevention and Control

Gasoline	\$	749	
Other Charges		3,932	
Total Fire Prevention and Control			4,681

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	17,907	
Truck Drivers		67,634	
Laborers		78,554	
Overtime Pay		3,092	
Social Security		9,989	
Pensions		7,965	
Medical Insurance		25,426	
Employer Medicare		2,336	
Maintenance and Repair Services - Equipment		19	
Maintenance and Repair Services - Vehicles		10,353	
Printing, Stationery, and Forms		234	
Disposal Fees		33,743	
Gasoline		10,510	
Other Supplies and Materials		461	
Total Waste Pickup			268,223

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

Other Charges	\$	4,000	
Total Other Social, Cultural, and Recreational			4,000

Other Operations

Other Charges

Maintenance Personnel	\$	26,000	
Overtime Pay		534	
Social Security		1,645	
Pensions		1,327	
Medical Insurance		5,772	
Employer Medicare		385	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Electricity	\$	56,452	
Liability Insurance		14,710	
Trustee's Commission		15,729	
Workers' Compensation Insurance		18,445	
Other Charges		45	
Traffic Control Equipment		2,109	
Total Other Charges			\$ 143,153

Employee Benefits

Pensions	\$	2,250	
Total Employee Benefits			2,250

Highways

Highway and Bridge Maintenance

Asphalt - Hot Mix	\$	13,617	
Total Highway and Bridge Maintenance			13,617

Principal on Debt

General Government

Principal on Notes	\$	30,000	
Total General Government			30,000

Interest on Debt

General Government

Interest on Notes	\$	2,949	
Total General Government			2,949

Capital Projects

Highway and Street Capital Projects

Advertising	\$	259	
Engineering Services		124,873	
Matching Share		391,928	
Total Highway and Street Capital Projects			517,060

Total Urban Services Fund \$ 1,395,363

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Assistant(s)	\$	30,077	
Supervisor/Director		17,063	
Truck Drivers		45,347	
Laborers		56,076	
Attendants		76,979	
Overtime Pay		7,307	
Social Security		14,179	
Pensions		10,699	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Medical Insurance	\$	31,186	
Employer Medicare		3,316	
Communication		453	
Evaluation and Testing		206	
Maintenance and Repair Services - Buildings		887	
Maintenance and Repair Services - Equipment		2,518	
Maintenance and Repair Services - Vehicles		61,308	
Pest Control		275	
Printing, Stationery, and Forms		470	
Custodial Supplies		27	
Electricity		4,137	
Gasoline		20,542	
Office Supplies		104	
Propane Gas		1,039	
Water and Sewer		484	
Other Supplies and Materials		1,616	
Other Charges		60	
Solid Waste Equipment		38,256	
Total Convenience Centers			\$ 424,611

Recycling Center

Laborers	\$	26,809	
Overtime Pay		87	
Social Security		1,647	
Pensions		1,345	
Employer Medicare		385	
Maintenance and Repair Services - Equipment		261	
Maintenance and Repair Services - Vehicles		228	
Electricity		1,293	
Gasoline		1,700	
Propane Gas		356	
Wire		1,614	
Other Supplies and Materials		36	
Other Charges		589	
Total Recycling Center			36,350

Other Waste Disposal

Disposal Fees	\$	161,135	
Total Other Waste Disposal			161,135

Postclosure Care Costs

Engineering Services	\$	36,206	
Legal Notices, Recording, and Court Costs		135	
Landfill Closure/Postclosure Care Costs		1,418	
Site Development		424,742	
Total Postclosure Care Costs			462,501

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Other Charges

Liability Insurance	\$	17,117	
Trustee's Commission		15,297	
Workers' Compensation Insurance		21,650	
Total Other Charges			\$ 54,064

Total Solid Waste/Sanitation Fund \$ 1,138,661

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$	441,217
Clerical Personnel		31,980
Overtime Pay		237,417
Social Security		43,076
Pensions		31,908
Medical Insurance		71,181
Employer Medicare		10,074
Bank Charges		727
Communication		6,414
Contracts with Private Agencies		7,812
Data Processing Services		650
Dues and Memberships		335
Evaluation and Testing		587
Licenses		1,430
Maintenance and Repair Services - Buildings		2,377
Maintenance and Repair Services - Equipment		682
Maintenance and Repair Services - Vehicles		11,634
Pest Control		480
Postal Charges		550
Printing, Stationery, and Forms		155
Rentals		3,654
Travel		624
Other Contracted Services		1,037
Custodial Supplies		1,302
Drugs and Medical Supplies		20,217
Electricity		5,154
Gasoline		11,630
Natural Gas		2,150
Office Supplies		951
Uniforms		3,322
Water and Sewer		2,135
Other Supplies and Materials		10
Liability Insurance		12,303
Refunds		6,227
Trustee's Commission		15,288
Workers' Compensation Insurance		28,881
In Service/Staff Development		3,203

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Fines, Assessments, and Penalties	\$	15,499	
Other Charges		994	
Furniture and Fixtures		1,399	
Motor Vehicles		38,286	
Office Equipment		621	
Other Equipment		9,455	
Total Ambulance/Emergency Medical Services			<u>\$ 1,085,028</u>

Total Ambulance Service Fund \$ 1,085,028

Special Purpose Fund

Public Safety

Other Public Safety

Contracts with Private Agencies	\$	57,802,020	
Total Other Public Safety			<u>\$ 57,802,020</u>

Total Special Purpose Fund 57,802,020

Drug Control Fund

Public Safety

Drug Enforcement

Instructional Supplies and Materials	\$	638	
Trustee's Commission		172	
Law Enforcement Equipment		19,321	
Total Drug Enforcement			<u>\$ 20,131</u>

Total Drug Control Fund 20,131

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,318	
Assistant(s)		44,199	
Clerical Personnel		10,000	
Overtime Pay		2,565	
Other Salaries and Wages		1,693	
Board and Committee Members Fees		1,200	
In-service Training		315	
Social Security		7,209	
Pensions		6,016	
Employer Medicare		1,775	
Communication		556	
Data Processing Services		15,358	
Dues and Memberships		2,333	
Legal Notices, Recording, and Court Costs		95	
Maintenance and Repair Services - Buildings		579	
Pest Control		130	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Postal Charges	\$	728	
Printing, Stationery, and Forms		379	
Custodial Supplies		600	
Data Processing Supplies		1,492	
Drugs and Medical Supplies		711	
Electricity		3,646	
Natural Gas		2,196	
Office Supplies		1,049	
Water and Sewer		1,464	
Premiums on Corporate Surety Bonds		50	
Other Charges		549	
Total Administration			\$ 182,205

Highway and Bridge Maintenance

Foremen	\$	134,744	
Equipment Operators		67,385	
Truck Drivers		224,961	
Laborers		35,356	
Overtime Pay		8,961	
Social Security		28,061	
Pensions		19,923	
Employer Medicare		6,563	
Asphalt - Cold Mix		2,689	
Asphalt - Hot Mix		275,129	
Asphalt - Liquid		5,100	
Concrete		107	
Crushed Stone		4,699	
Electricity		423	
General Construction Materials		213	
Other Road Materials		697	
Pipe		4,974	
Propane Gas		311	
Road Signs		6,916	
Small Tools		92	
Wood Products		32	
Chemicals		1,875	
Other Supplies and Materials		95	
Other Charges		29	
Total Highway and Bridge Maintenance			829,335

Operation and Maintenance of Equipment

Mechanic(s)	\$	38,027	
Overtime Pay		1,595	
Social Security		2,393	
Pensions		1,930	
Employer Medicare		560	
Maintenance and Repair Services - Equipment		11,525	

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Maintenance and Repair Services - Vehicles	\$	1,740	
Rentals		90	
Diesel Fuel		20,672	
Equipment and Machinery Parts		47,000	
Garage Supplies		2,551	
Gasoline		23,454	
Lubricants		7,300	
Small Tools		290	
Tires and Tubes		9,771	
Other Supplies and Materials		1,291	
Other Charges		30	
Total Operation and Maintenance of Equipment			\$ 170,219

Other Charges

Evaluation and Testing	\$	91	
Other Contracted Services		6,174	
Trustee's Commission		19,676	
Vehicle and Equipment Insurance		17,719	
Workers' Compensation Insurance		17,628	
Liability Claims		1,307	
Other Charges		866	
Total Other Charges			63,461

Employee Benefits

Medical Insurance	\$	69,282	
Unemployment Compensation		4,224	
Total Employee Benefits			73,506

Capital Outlay

Engineering Services	\$	18,992	
Highway Equipment		171,170	
State Aid Projects		166,824	
Other Construction		67,505	
Total Capital Outlay			424,491

Total Highway/Public Works Fund \$ 1,743,217

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	161,400	
Principal on Other Loans		74,000	
Total General Government			\$ 235,400

Education

Principal on Other Loans	\$	378,701	
Total Education			378,701

(Continued)

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Notes	\$ 16,437	
Interest on Other Loans	35,503	
Total General Government		\$ 51,940

Education

Interest on Other Loans	\$ 187,463	
Total Education		187,463

Other Debt Service

General Government

Trustee's Commission	\$ 9,194	
Other Debt Service	4,003	
Total General Government		13,197

Education

Other Debt Service	\$ 7,255	
Total Education		7,255

Total General Debt Service Fund \$ 873,956

Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 568,000	
Total Education		\$ 568,000

Interest on Debt

Education

Interest on Other Loans	\$ 21,744	
Total Education		21,744

Other Debt Service

Education

Trustee's Commission	\$ 3,818	
Other Debt Service	12,055	
Total Education		15,873

Total Education Debt Service Fund 605,617

Total Governmental Funds - Primary Government \$ 70,525,408

Exhibit J-8

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	3,057,330	
Career Ladder Program		6,000	
Career Ladder Extended Contracts		1,338	
Homebound Teachers		788	
Educational Incentive - Other County Employees		283,137	
Other Salaries and Wages		500	
Certified Substitute Teachers		4,700	
Non-certified Substitute Teachers		18,900	
Social Security		200,485	
Pensions		304,771	
Medical Insurance		568,027	
Unemployment Compensation		1,558	
Employer Medicare		46,912	
Retirement - Hybrid Stabilization		180	
Travel		1,257	
Instructional Supplies and Materials		169,631	
Textbooks - Bound		144,582	
Software		900	
Regular Instruction Equipment		174,564	
Total Regular Instruction Program			\$ 4,985,560

Alternative Instruction Program

Teachers	\$	63,485	
Educational Assistants		34,907	
Educational Incentive - Other County Employees		1,227	
Social Security		5,985	
Pensions		8,323	
Medical Insurance		9,306	
Unemployment Compensation		31	
Employer Medicare		1,400	
Total Alternative Instruction Program			124,664

Special Education Program

Teachers	\$	453,016	
Career Ladder Program		1,000	
Educational Assistants		48,414	
Speech Pathologist		52,442	
Educational Incentive - Other County Employees		47,388	
Certified Substitute Teachers		700	
Non-certified Substitute Teachers		2,100	
Social Security		35,255	
Pensions		54,378	
Medical Insurance		114,834	
Unemployment Compensation		367	
Employer Medicare		8,245	
Contracts with Private Agencies		56,035	
Total Special Education Program			874,174

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	151,134	
Career Ladder Program		1,000	
Educational Incentive - Other County Employees		8,887	
Social Security		9,041	
Pensions		16,539	
Medical Insurance		35,757	
Unemployment Compensation		46	
Employer Medicare		2,114	
Other Contracted Services		106,000	
Instructional Supplies and Materials		13,680	
Textbooks - Bound		2,820	
Total Career and Technical Education Program			\$ 347,018

Support Services

Attendance

Supervisor/Director	\$	6,360	
Clerical Personnel		4,240	
Social Security		596	
Pensions		530	
Employer Medicare		139	
Other Contracted Services		14,733	
In Service/Staff Development		170	
Total Attendance			26,768

Health Services

Supervisor/Director	\$	52,743	
Medical Personnel		97,309	
Clerical Personnel		17,549	
Non-certified Substitute Teachers		420	
Social Security		9,740	
Pensions		11,986	
Medical Insurance		27,671	
Unemployment Compensation		61	
Employer Medicare		2,278	
Travel		20	
Other Contracted Services		4,500	
Drugs and Medical Supplies		858	
Other Supplies and Materials		4,852	
In Service/Staff Development		3,082	
Other Charges		686	
Health Equipment		2,627	
Total Health Services			236,382

Other Student Support

Guidance Personnel	\$	81,488	
Clerical Personnel		17,465	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Educational Incentive - Other County Employees	\$	2,454	
Other Salaries and Wages		2,603	
Social Security		6,133	
Pensions		8,293	
Medical Insurance		28,451	
Unemployment Compensation		31	
Employer Medicare		1,434	
Communication		1,800	
Contracts with Government Agencies		86,542	
Other Contracted Services		10,003	
Other Charges		435	
Total Other Student Support			\$ 247,132

Regular Instruction Program

Supervisor/Director	\$	122,724	
Career Ladder Program		1,000	
Librarians		118,591	
Educational Incentive - Other County Employees		18,450	
Social Security		8,642	
Pensions		12,200	
Medical Insurance		22,108	
Unemployment Compensation		107	
Employer Medicare		3,678	
Library Books/Media		8,804	
In Service/Staff Development		55,684	
Total Regular Instruction Program			371,988

Special Education Program

Supervisor/Director	\$	36,488	
Career Ladder Program		1,000	
Psychological Personnel		36,488	
Educational Incentive - Other County Employees		8,471	
Social Security		5,075	
Pensions		8,764	
Unemployment Compensation		15	
Employer Medicare		1,187	
Other Supplies and Materials		350	
Total Special Education Program			97,838

Career and Technical Education Program

Supervisor/Director	\$	27,586	
Social Security		1,707	
Pensions		2,932	
Employer Medicare		399	
Total Career and Technical Education Program			32,624

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Instructional Computer Personnel	\$	58,952	
Social Security		3,318	
Pensions		2,948	
Medical Insurance		12,555	
Unemployment Compensation		15	
Employer Medicare		776	
Internet Connectivity		11,517	
Cabling		1,103	
Software		8,294	
Regular Instruction Equipment		49,850	
Total Technology			\$ 149,328

Other Programs

On-behalf Payments to OPEB	\$	24,539	
Total Other Programs			24,539

Board of Education

Secretary to Board	\$	1,740	
Board and Committee Members Fees		10,975	
Social Security		647	
Pensions		185	
Unemployment Compensation		15	
Employer Medicare		183	
Advertising		1,787	
Dues and Memberships		6,386	
Legal Services		5,585	
Travel		190	
Other Contracted Services		4,255	
Office Supplies		1,753	
Trustee's Commission		55,383	
Workers' Compensation Insurance		57,001	
Refund to Applicant for Criminal Investigation		2,825	
Other Charges		12,075	
Total Board of Education			160,985

Director of Schools

County Official/Administrative Officer	\$	95,000	
Career Ladder Program		1,000	
Salary Supplements		7,250	
Secretary(ies)		21,695	
Social Security		7,300	
Pensions		12,060	
Medical Insurance		19,678	
Unemployment Compensation		31	
Employer Medicare		1,707	
Communication		32,883	

(Continued)

Exhibit J-8

Hartsville/Trousdale County Government, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Hartsville/Trousdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Travel	\$	56	
Other Contracted Services		5,746	
Office Supplies		1,219	
In Service/Staff Development		3,746	
Other Charges		217	
Administration Equipment		409	
Furniture and Fixtures		64	
Total Director of Schools			\$ 210,061

Office of the Principal

Principals	\$	247,000	
Career Ladder Program		2,000	
Accountants/Bookkeepers		107,360	
Assistant Principals		204,750	
Secretary(ies)		22,115	
Educational Incentive - Other County Employees		43,948	
Social Security		36,233	
Pensions		58,828	
Medical Insurance		104,109	
Unemployment Compensation		199	
Employer Medicare		8,474	
Other Supplies and Materials		8,100	
Administration Equipment		13,735	
Total Office of the Principal			856,851

Fiscal Services

Accountants/Bookkeepers	\$	88,759	
Social Security		5,229	
Pensions		4,438	
Medical Insurance		8,998	
Unemployment Compensation		31	
Employer Medicare		1,223	
Postal Charges		5,955	
Travel		360	
Other Contracted Services		18,724	
Office Supplies		2,123	
In Service/Staff Development		609	
Total Fiscal Services			136,449

Operation of Plant

Custodial Personnel	\$	158,718	
Social Security		9,286	
Pensions		6,976	
Medical Insurance		27,315	
Unemployment Compensation		137	
Employer Medicare		2,172	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Disposal Fees	\$	35,000	
Other Contracted Services		2,210	
Custodial Supplies		33,195	
Electricity		287,958	
Natural Gas		55,965	
Water and Sewer		16,298	
Other Supplies and Materials		295	
Building and Contents Insurance		100,724	
Total Operation of Plant			\$ 736,249

Maintenance of Plant

Supervisor/Director	\$	61,561	
Social Security		3,581	
Pensions		3,078	
Medical Insurance		12,977	
Unemployment Compensation		31	
Employer Medicare		837	
Maintenance and Repair Services - Buildings		126,592	
Other Contracted Services		23,831	
Other Supplies and Materials		6,555	
Other Charges		6,468	
Maintenance Equipment		1,618	
Total Maintenance of Plant			247,129

Transportation

Supervisor/Director	\$	43,071	
Mechanic(s)		36,648	
Bus Drivers		217,345	
Other Salaries and Wages		17,807	
Social Security		15,151	
Pensions		12,147	
Medical Insurance		22,800	
Unemployment Compensation		214	
Employer Medicare		4,400	
Contracts with Parents		897	
Maintenance and Repair Services - Vehicles		9,197	
Other Contracted Services		1,140	
Diesel Fuel		33,913	
Gasoline		7,277	
Lubricants		420	
Tires and Tubes		5,160	
Vehicle Parts		7,470	
In Service/Staff Development		675	
Other Charges		4,990	
Transportation Equipment		86,961	
Total Transportation			527,683

(Continued)

Exhibit J-8

Hartsville/Trousdale County Government, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Hartsville/Trousdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	12,025	
Teachers		27,306	
Clerical Personnel		4,323	
Educational Assistants		36,056	
Part-time Personnel		6,961	
Other Salaries and Wages		4,014	
Social Security		5,309	
Pensions		7,036	
Unemployment Compensation		76	
Employer Medicare		1,314	
Instructional Supplies and Materials		11,331	
Other Supplies and Materials		2,558	
Other Charges		2,685	
Total Community Services	\$		120,994

Early Childhood Education

Supervisor/Director	\$	8,000	
Teachers		51,466	
Educational Assistants		13,532	
Non-certified Substitute Teachers		750	
Social Security		4,135	
Pensions		6,978	
Medical Insurance		14,670	
Unemployment Compensation		31	
Employer Medicare		967	
Food Supplies		80	
Instructional Supplies and Materials		4,053	
Other Supplies and Materials		826	
In Service/Staff Development		1,070	
Regular Instruction Equipment		360	
Total Early Childhood Education			106,918

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	65,781	
Building Improvements		424,070	
Furniture and Fixtures		116,872	
Other Capital Outlay		41,753	
Total Regular Capital Outlay			648,476

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	334,150	
Total Education			334,150

Total General Purpose School Fund \$ 11,603,960

(Continued)

Exhibit J-8

Hartsville/Trousdale County Government, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Hartsville/Trousdale County School Department (Cont.)

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	94,650	
Educational Assistants		62,034	
Non-certified Substitute Teachers		660	
Social Security		9,303	
Pensions		11,242	
Medical Insurance		30,330	
Employer Medicare		2,176	
Instructional Supplies and Materials		28,884	
Regular Instruction Equipment		4,248	
Total Regular Instruction Program			\$ 243,527

Special Education Program

Teachers	\$	85,509	
Homebound Teachers		262	
Educational Assistants		106,145	
Social Security		10,909	
Pensions		11,035	
Medical Insurance		42,903	
Employer Medicare		2,551	
Instructional Supplies and Materials		12,611	
Other Supplies and Materials		866	
Special Education Equipment		6,844	
Total Special Education Program			279,635

Career and Technical Education Program

Instructional Supplies and Materials	\$	4,954	
Other Supplies and Materials		1,568	
Vocational Instruction Equipment		26,326	
Total Career and Technical Education Program			32,848

Support Services

Other Student Support

Travel	\$	707	
In Service/Staff Development		786	
Total Other Student Support			1,493

Regular Instruction Program

Supervisor/Director	\$	48,219	
Social Security		2,951	
Pensions		5,126	
Employer Medicare		690	
In Service/Staff Development		16,823	
Other Charges		9,610	
Total Regular Instruction Program			83,419

(Continued)

Exhibit J-8

Hartsville/Trousdale County Government, Tennessee

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Hartsville/Trousdale County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Assessment Personnel	\$	14,000	
Social Security		868	
Pensions		1,488	
Employer Medicare		203	
Other Supplies and Materials		4,556	
In Service/Staff Development		7,479	
Total Special Education Program	\$		28,594

Career and Technical Education Program

In Service/Staff Development	\$	532	
Total Career and Technical Education Program			532

Total School Federal Projects Fund \$ 670,048

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	16,485	
Accountants/Bookkeepers		6,360	
Materials Supervisor		14,833	
Clerical Personnel		79,796	
Cafeteria Personnel		191,364	
Social Security		18,068	
Pensions		13,445	
Medical Insurance		59,099	
Employer Medicare		4,252	
Legal Notices, Recording, and Court Costs		110	
Maintenance and Repair Services - Equipment		4,907	
Other Contracted Services		6,059	
Food Supplies		391,540	
Office Supplies		614	
USDA - Commodities		57,234	
Other Supplies and Materials		27,226	
In Service/Staff Development		634	
Other Charges		660	
Food Service Equipment		2,114	
Total Food Service	\$		894,800

Total Central Cafeteria Fund 894,800

Total Governmental Funds - Hartsville/Trousdale County School Department \$ 13,168,808

Exhibit J-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2020

	Business-type Activities
	Major Enterprise Fund
	Water and Sewer Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Other General Service Charges	\$ 1,009,187
Water Sales	2,277,033
Water Tap Sales	242,300
Service Charges	156,706
Total Charges for Current Services	<u>\$ 3,685,226</u>
<u>Other Local Revenues</u>	
Lease/Rentals	\$ 6,600
Total Other Local Revenues	<u>\$ 6,600</u>
Total Operating Revenues	<u>\$ 3,691,826</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 47,578
Damages Recovered from Individuals	12,056
Contributions and Gifts	228,248
Community Development	35,752
Other Direct Federal Revenue	244,392
Total Nonoperating Revenues	<u>\$ 568,026</u>
Total Revenues	<u>\$ 4,259,852</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Other Public Health and Welfare</u>	
Supervisor/Director	\$ 73,294
Clerical Personnel	133,111
Overtime Pay	84,187
Bonus Payments	13,100
Other Salaries and Wages	415,143
Board and Committee Members Fees	2,350
In-service Training	6,165
Social Security	57,510
Pensions	40,797

(Continued)

Exhibit J-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund (Cont.)

	Business-type Activities
	Major Enterprise Fund
	Water and Sewer Fund
<u>Operating Expenses (Cont.)</u>	
<u>Other Public Health and Welfare</u>	
Medical Insurance	\$ 67,773
Communication	25,638
Data Processing Services	12,204
Dues and Memberships	3,054
Legal Notices, Recording, and Court Costs	949
Maintenance and Repair Services - Equipment	55,180
Maintenance and Repair Services - Office Equipment	2,789
Maintenance and Repair Services - Vehicles	8,407
Postal Charges	11,910
Travel	237
Disposal Fees	7,343
Permits	12,577
Other Contracted Services	10,887
Electricity	278,130
Gasoline	29,697
Natural Gas	5,241
Office Supplies	5,197
Tires and Tubes	6,383
Testing	29,789
Chemicals	160,924
Other Supplies and Materials	317,651
Liability Insurance	78,109
Depreciation	688,617
Other Charges	94,635
Office Equipment	1,458
Total Operating Expenses	<u>\$ 2,740,436</u>
<u>Nonoperating Expenses</u>	
Interest on Bonds	\$ 104,449
Total Nonoperating Expenses	<u>\$ 104,449</u>
Total Expenses	<u>\$ 2,844,885</u>

STATUTORY SECTION

This part of Hartsville/Trousdale County Government's annual financial report presents detailed information required by state statute for the Hartsville/Trousdale County Government Water and Sewer Department. This information is presented solely for the purposes of statutory compliance and additional analysis and is not a required part of the financial statements. This information is unaudited. It has not been subjected to any auditing procedures.

	Table(s)	Page(s)
Demographic and Economic Information:		
These schedules offer water rates and water loss reports required by state statute to help the reader understand how well the utility is performing.	1-2	210-212

Source: Hartsville/Trousdale County Government Water and Sewer Department Management.

Table 1

Hartsville/Trousdale County Government, Tennessee
Schedule of Utility Rates
Water and Sewer Department
June 30, 2020

Utility Rates in Effect

Water Inside Town:

First 2,000 gallons	\$ 16.63	per month
All over 2,000 gallons	5.42	per 1,000 gallons

Water Outside Town-Rural:

First 2,000 gallons	\$ 27.94	per month
All over 2,000 gallons	8.73	per 1,000 gallons

Number of Customers	3,102
---------------------	-------

Table 2

Hartsville/Trousdale County Government, Tennessee
 Schedule of Unaccounted for Water
 Water and Sewer Department
 June 30, 2020

AWWA Free Water Audit Software: Reporting Worksheet WAS v5.0
American Water Works Association
Copyright © 2014. All Rights Reserved.

Water Audit Report for: **Hartsville Trousdale Water & Sewer Utility (0000291)**
 Reporting Year: **2019** **7/2019 - 6/2020**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

<----- Enter grading in column 'E' and 'J' ----->

WATER SUPPLIED

Volume from own sources:	<input type="text" value="429.834"/>	MG/Yr	Pont:	<input type="text" value="3.00%"/>	Value:	<input type="text"/>	MG/Yr
Water imported:	<input type="text" value="0.000"/>	MG/Yr					MG/Yr
Water exported:	<input type="text" value="46.908"/>	MG/Yr					MG/Yr
WATER SUPPLIED:	371.773	MG/Yr					

Master Meter and Supply Error Adjustments

Enter negative % or value for under-registration
 Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered:	<input type="text" value="222.682"/>	MG/Yr	Pont:	<input type="text" value="1.25%"/>	Value:	<input type="text"/>	MG/Yr
Billed unmetered:	<input type="text" value="46.878"/>	MG/Yr					MG/Yr
Unbilled metered:	<input type="text" value="4.538"/>	MG/Yr					MG/Yr
Unbilled unmetered:	<input type="text" value="4.647"/>	MG/Yr					MG/Yr
AUTHORIZED CONSUMPTION:	278.745	MG/Yr					

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

WATER LOSSES (Water Supplied - Authorized Consumption) **93.028** MG/Yr

Apparent Losses

Unauthorized consumption:	<input type="text" value="0.929"/>	MG/Yr	Pont:	<input type="text" value="0.25%"/>	Value:	<input type="text"/>	MG/Yr
Customer metering inaccuracies:	<input type="text" value="7.027"/>	MG/Yr					MG/Yr
Systematic data handling errors:	<input type="text" value="0.557"/>	MG/Yr					MG/Yr
Apparent Losses:	8.514	MG/Yr					

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Real Losses (Current Annual Real Losses or CABL)

Real Losses = Water Losses - Apparent Losses: **84.514** MG/Yr

WATER LOSSES: **93.028** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: **102.213** MG/Yr
 = Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="text" value="240.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="3,750"/>	
Service connection density:	<input type="text" value="16"/>	conn./mile main
Are customer meters typically located at the curbside or property line?	<input type="text" value="Yes"/>	
Average length of customer service line:	<input type="text" value="0"/>	(length of service line, beyond the property boundary, that is the responsibility of the utility)
Average operating pressure:	<input type="text" value="97.0"/>	psi

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

COST DATA

Total annual cost of operating water system:	<input type="text" value="\$2,839,945"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="\$7.49"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="\$1,545.21"/>	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 80 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Volume from own sources
- 2: Unauthorized consumption
- 3: Systematic data handling errors

Table 2

AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association. Copyright © 2014, All Rights Reserved.
Water Audit Report for: Hartsville Trousdale Water & Sewer Utility (0000291)		
Reporting Year: 2019 7/2019 - 6/2020		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 80 out of 100 ***		
System Attributes:		
	Apparent Losses:	8.514 MG/Yr
	+ Real Losses:	84.514 MG/Yr
	= Water Losses:	93.028 MG/Yr
	? Unavoidable Annual Real Losses (UARL):	65.89 MG/Yr
	Annual cost of Apparent Losses:	\$63,767
	Annual cost of Real Losses:	\$130,592 Valued at Variable Production Cost Return to Reporting Worksheet to change this assumption
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	27.5%
	Non-revenue water as percent by cost of operating system:	7.3% Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	6.22 gallons/connection/day
	Real Losses per service connection per day:	N/A gallons/connection/day
	Real Losses per length of main per day*:	964.77 gallons/mile/day
	Real Losses per service connection per day per psi pressure:	N/A gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	84.51 million gallons/year
	? Infrastructure Leakage Index (ILI) [CARL/UARL]:	1.28
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline		

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

Hartsville/Trousdale County Government Mayor and
Board of Metropolitan Commissioners
Hartsville/Trousdale County, Tennessee

To the County Mayor and Board of Metropolitan 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 Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the metropolitan government's internal control over financial reporting (internal control) as a basis for designing audit procedures 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 the metropolitan government's internal control. Accordingly, we do not express an opinion on the effectiveness of the metropolitan government's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the metropolitan government's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2020-002.

Hartsville/Trousdale County Government's Responses to Findings

The metropolitan government's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The metropolitan government's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 15, 2021

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

Hartsville/Trousdale County Government Mayor and
Board of Metropolitan Commissioners
Hartsville/Trousdale County, Tennessee

To the County Mayor and Board of Metropolitan Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Hartsville/Trousdale County Government's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the metropolitan government's major federal programs for the year ended June 30, 2020. The metropolitan government's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the metropolitan government's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit

includes examining, on a test basis, evidence about the metropolitan government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the metropolitan government's compliance.

Opinion on Each Major Federal Program

In our opinion, the metropolitan government complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the metropolitan government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the metropolitan government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the metropolitan government's internal control over compliance.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements. We issued our report thereon dated January 15, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 15, 2021

JEM/tg

Hartsville/Trousdale County Government, Tennessee and the Discretely Presented Hartsville/Trousdale County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2020

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 244,392
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	57,234 (6)
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	259,491
National School Lunch Program	10.555	(4)	389,706 (6)
COVID 19 - National School Lunch Program	10.555	(4)	85,677 (6)
After-school Snack	10.555	(4)	8,181 (6)
Total U.S. Department of Agriculture			<u>\$ 1,044,681</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	(4)	\$ 35,752
Passed-through Tennessee Housing Development Agency:			
HOME Investment Partnership Program	14.239	(4)	63,007
Total U.S. Department of Housing and Urban Development			<u>\$ 98,759</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-lieu-of Taxes	15.226	N/A	\$ 8,819
Total U.S. Department of the Interior			<u>\$ 8,819</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(4)	\$ 70,000
Total U.S. Department of Justice			<u>\$ 70,000</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	(4)	\$ 2,102
Total U.S. Department of Labor			<u>\$ 2,102</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction Cluster: (5)			
Highway Planning and Construction	20.205	104685	\$ 417,706
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	Z-18-THS365	1,000
Total U.S. Department of Transportation			<u>\$ 418,706</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	\$ 276,644
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	329,101
Special Education - Preschool Grants	84.173	(4)	7,992
Career and Technical Education - Basic Grants to States	84.048	(4)	34,873
Rural Education	84.358	(4)	20,801
Supporting Effective Instruction State Grants	84.367	(4)	28,603
Student Support and Academic Enrichment Program	84.424	(4)	897
Total U.S. Department of Education			<u>\$ 698,911</u>

(Continued)

Hartsville/Trousdale County Government, Tennessee and the Discretely Presented Hartsville/Trousdale County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Assistance Commission	90.404	(4)	\$ 15,393
Total U.S. Department of Election Assistance Commission			<u>\$ 15,393</u>
U.S. Department of Health and Human Services:			
Passed-through Greater Nashville Regional Council:			
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	(4)	\$ 8,247
Special Programs for the Aging Title III, Part B Aging Cluster: (5) Grants for Supportive Services and Senior Centers	93.044	(4)	12,550
Total U.S. Department of Health and Human Services			<u>\$ 20,797</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	34101-02919	\$ 5,000
Total U.S. Department of Homeland Security			<u>\$ 5,000</u>
Total Expenditures of Federal Awards			<u>\$ 2,383,168</u>

<u>State Grants</u>		Contract Number	
Juvenile Services Program - State Department of Children's Services	N/A	(4)	\$ 9,000
Aging Programs - State Commission on Aging	N/A	(4)	12,550
Lottery for Education: Afterschool Programs - State Department of Education	N/A	(4)	92,142
Early Childhood Education - State Department of Education	N/A	(4)	99,819
Coordinated School Health - State Department of Education	N/A	(4)	87,030
Old Closed Landfill Grant - State Department of Environment and Conservation	N/A	32701-03700	239,504
Animal Friendly Grant - State Department of Health	N/A	Z-18-160314	1,200
Student Ticket Subsidy (STS) Grant - Tennessee Arts Commission	N/A	(4)	2,685
Project Diabetes Initiative Services - State Department of Health	N/A	(4)	14,301
Safe Schools - State Department of Education	N/A	(4)	30,350
Litter Program - State Department of Transportation	N/A	Z-19-LIT085	42,924
Healthy Students Stronger Learners Tennessee - State Department of Education	N/A	(4)	12,957
Tobacco Prevention and Cessation - State Department of Health	N/A	GG18-54426-00	10,172
Total State Grants			<u>\$ 654,634</u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Hartsville/Trousdale County Government elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$800,289; Highway Planning and Construction Cluster total \$417,706;
Special Education Cluster (IDEA) total \$337,093; Aging Cluster total \$12,550.
- (6) Total for CFDA No. 10.555 is \$540,798.

Hartsville/Trousdale County Government, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

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 Hartsville/Trousdale County Government, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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WATER AND SEWER UTILITY DEPARTMENT

2019	229	2019-001	The office had deficiencies in the maintenance of capital asset records	N/A	Corrected
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Prior-year Federal Awards Findings

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

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Child Nutrition Cluster:
School Breakfast Program and
National School Lunch Program
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster:
Special Education - Grants to States and
Special Education - Preschool Grants
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 SHERIFF

FINDING 2020-001

DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF SHERIFF

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

Duties were not segregated adequately among the official and employees in the Office of Sheriff. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decision based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

The sheriff should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE

We concur with this finding. See corrective action plan.

FINDING 2020-002

SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts issued for the month of June 2020 to trace to deposits. During this period, collections in four of four deposits were held more than three business days before being deposited. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

All funds should be deposited within three business days of collection as required by state statute.

MANAGEMENT'S RESPONSE

We concur with this finding. See corrective action plan.

**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, 2020.

Hartsville/Trousdale County Government, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

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
-------------------	------------------	---------------------------------------

OFFICE OF SHERIFF

2020-001	Duties were not segregated adequately in the Office of Sheriff	227
2020-002	Some funds were not deposited within three days of collection	228

Trousdale County Sheriff's Office Jail
315 East Main Street
Hartsville TN, 37074
615-374-2114

Corrective Action Plan

FINDING 2020-001: DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF SHERIFF

Response and Corrective Action Plan Prepared by:
Josh Scruggs, Jail Administrator

Person Responsible for Implementing the Corrective Action:
Josh Scruggs, Jail Administrator

Anticipated Completion Date of Corrective Action:
Date 01/11/2021

Repeat Finding:
No

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

Planned Corrective Action:
The former transition of Jail Admin David Story to Josh Scruggs and Lieutenant Josh Scruggs to Michael Stafford took longer than expected. This caused a delay in records and the transition of the positions on paper. The positions are set and in place. This finding should no longer be a problem or a finding in the future.

Signature: Ray Russell

Trousdale County Sheriff's Office Jail
315 East Main Street
Hartsville TN, 37074
615-374-2114

Corrective Action Plan

FINDING 2020-002: SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

Response and Corrective Action Plan Prepared by:
Josh Scruggs, Jail Administrator

Person Responsible for Implementing the Corrective Action:
Josh Scruggs, Jail Administrator

Anticipated Completion Date of Corrective Action:
Date 01/11/2021

Repeat Finding:
No

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

Planned Corrective Action:
Due to extenuating circumstances some deposits were in fact delayed over the 3 day mark. Due to the transitions of Jail Admin and Lieutenant and covid 19 pandemic, some deposits were delayed over the 3 day mark the transition of positions has taken place and this as well should not be a future finding. All deposits should be made 3 days from when they arrive from this finding forward.

Signature: Ray Russell

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 Hartsville/Trousdale County Government.

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Hartsville/Trousdale County Government 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 board of metropolitan commissioners resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of the Hartsville/Trousdale County Government. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.