

ANNUAL FINANCIAL REPORT
HAMBLLEN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2020**

***COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT
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Director***

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

HAMBLLEN COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Hamblen County, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Hamblen County as of and for the year ended June 30, 2020.

Results

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

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

Finding

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Tennessee Department of Health reported questioned costs of \$14,570 related to a purchase of playground equipment funded by the Healthy and Active Built Environment Grant.

OFFICE OF SHERIFF

- ◆ The sheriff used calendar funds to purchase a surveillance system for his personal residence.

INTRODUCTORY SECTION

Hamblen County Officials

June 30, 2020

Officials

Bill Brittain, County Mayor
Barry Poole, Highway Superintendent
Dr. Jeff Perry, Director of Schools
Scotty Long, Trustee
John Ely, Assessor of Property
Penny Petty, County Clerk
Teresa West, Circuit and General Sessions Courts Clerk
Kathy Terry, Clerk and Master
Jim Clawson, Register of Deeds
Esco Jarnagin, Sheriff
Anne Bryant-Hurst, Finance Director

Board of County Commissioners

Howard Shipley, Chairman	Bobby Haun
Jeff Akard	Tim Horner
Eileen Arnwine	Joe Huntsman, Sr.
Chris Cutshaw	Mike Minnich
Randy DeBord	Wayne NeSmith
Thomas Doty	Jim Stepp
Tim Goins	Taylor Ward

Board of Highway Commissioners

Charles Anderson, Chairman	E.C. Long
Dannie Bell	Delbert Nix
Gail Free	Wayne Pigmon
Dr. Arthur Tom Hyde	

Board of Education

Dr. Joe Gibson, Jr., Chairman	James Grigsby
Dr. Shahin Assadnia	Janice Haun
Carolyn Holt Clawson	Clyde Kinder
Roger Greene	

Audit Committee

Mike Minnich, Chairman	Howard Shipley
Jeff Akard	
Randy DeBord	
Joe Huntsman, Sr.	

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hamblen County, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hamblen County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability, and schedules of county and school changes in the total 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 Hamblen County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hamblen County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory section 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.

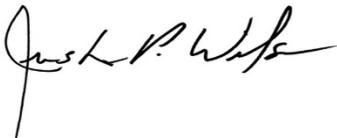
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Hamblen County School Department (a discretely presented component unit), schedule 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 and the General Debt Service Fund, combining and individual fund financial statements of the Hamblen 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 section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020, on our consideration of Hamblen County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hamblen County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hamblen County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2020

JPW/tg



**HAMBLEN COUNTY, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020**

As management for Hamblen County, Tennessee, we offer readers of the financial statements of Hamblen County, Tennessee, this narrative overview and analysis of the financial activities of Hamblen County Government for the fiscal year ended June 30, 2020. In addition, this discussion and analysis includes an overview of the discretely presented Hamblen County School Department, which is a component unit of Hamblen County. A separate set of financial statements is not issued for the Hamblen County School Department. The intent of this discussion and analysis is to look at Hamblen County's and the discretely presented Hamblen County School Department's financial performance as a whole. We encourage readers to consider the information presented here in conjunction with the basic financial statements and notes to the financial statements to enhance their understanding of Hamblen County's financial performance, as well as, the discretely presented Hamblen County School Department's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Hamblen County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by approximately \$13.0 million (net position). However, it should be noted that the financial statements of Hamblen County included debt totaling approximately \$22.0 million attributed to the Hamblen County Board of Education. The discretely presented Hamblen County School Department's assets and deferred outflows exceeded its liabilities and deferred inflows of resources by approximately \$66.6 million at June 30, 2020.
- The primary government's total net position decreased by approximately \$5.1 million. The decrease in the primary government's total net position was due to the issuance of approximately \$20.0 million in general obligation bonds for the construction of a jail and justice center and improvements to West High School. In addition, at June 30, 2020, Hamblen County Government held approximately \$9.6 million in funds due to the Hamblen County Board of Education to be used for improvements to West High School. The discretely presented Hamblen County School Department's net position increased by approximately \$16.7 million. The increase of the discretely presented Hamblen County School Department's total net position was primarily due to an increase in funds due from Hamblen County Government related to the improvements to West High School and the increase in assets held for pension benefits.

- As of the close of the fiscal year, total Hamblen County's Governmental funds reported approximately \$25.8 million in total combined fund balances; this is an approximate increase of \$11.7 million from the previous period. Of this amount, approximately \$6.3 million represents funds that are available for spending (assigned and unassigned). The discretely presented Hamblen County School Department's governmental funds reported approximately \$26.4 million in total combined fund balances; this is an increase of approximately \$8.7 million from the previous period. Of this amount, approximately \$12.2 million represents funds that are available for spending (assigned and unassigned).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$6.0 million or 29.2 percent of the General Fund's annual budgetary expenditures (including other uses). The unassigned fund balance of the discretely presented Hamblen County School Department's General Purpose School Fund was approximately \$8.0 million or 9.3 percent of the fund's annual budgetary expenditures (including other uses).
- The total debt (bonds and other loans) of Hamblen County, Tennessee, increased by approximately \$17.2 million during the current fiscal year due to the issuance of approximately \$20.0 million in general obligation debt. Approximately \$2.8 million in long-term debt matured and was paid during the year.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Hamblen County's and the discretely presented Hamblen County School Department's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements were created to give readers a broad overview, in a manner similar to a private-sector business, of the county's and school's finances. The government-wide financial statements consist of two statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of Hamblen County's and its discretely presented component units' assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the county and its discretely presented component units is improving or deteriorating.

The Statement of Activities presents information showing how Hamblen County's and its discretely presented component units' net position changed during the current fiscal year. All changes in net position are reported on the accrual basis of accounting as soon as the

underlying events giving rise to changes occur. Therefore, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods.

These government-wide financial statements of Hamblen County and the discretely presented Hamblen County School Department distinguish between major functions that are principally supported by taxes and intra-governmental revenues from functions that are intended to recover all, or a significant portion of, their costs from user fees and/or charges – business type activities. The governmental activities of Hamblen County include: general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways; education; and interest on long-term debt. Hamblen County and the discretely presented Hamblen County School Department have no business-type activities.

The government-wide financial statements include not only Hamblen County Government itself (known as the primary government), but also a legally separate school system for which the Hamblen County Government is financially accountable.

The government-wide financial statements can be found in Exhibits A and B.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Hamblen County and the discretely presented Hamblen County School Department use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Hamblen County and the discretely presented Hamblen County School Department can be divided into three broad categories: governmental, proprietary and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. In doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds' balance sheets and the governmental funds' statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Hamblen County maintains nine governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General, General Debt Service, and Other Capital Projects funds; all of which are considered major funds. Financial data from

the remaining governmental funds are combined into a single, aggregated amount with detail provided in the combining and individual fund financial statements and schedules.

The discretely presented Hamblen County School Department maintains four individual governmental funds. The General Purpose School, School Federal Projects, Central Cafeteria, and Education Capital Projects funds are considered major funds.

Hamblen County adopts an annual budget for its General Fund, all special revenue funds (except the Constitutional Officers – Fees Fund), the General Debt Service Fund, and the Highway Capital Projects Fund. The discretely presented Hamblen County School Department, with the approval of the county, adopts an annual budget for its General Purpose School Fund, School Capital Projects, and Central Cafeteria funds. Budgetary comparisons have been provided for these funds to demonstrate budgetary compliance.

Governmental fund financial statements can be found in the table of contents.

Proprietary Funds. Hamblen County maintains one type of proprietary fund, an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Hamblen County uses an internal service fund to account for the county’s self-insured employee health insurance program. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found in Exhibits D-1 through D-3.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Hamblen County’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (economic resources measurement) except agency funds, which have no measurement focus. The basic fiduciary fund financial statements can be found in Exhibits E-1 through E-2.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located in the table of contents.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning Hamblen County’s and the discretely presented Hamblen County School Department’s obligation to provide pension and OPEB benefits to its employees. A table of contents has been provided to locate this information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position.

Hamblen County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2020, by \$12,979,751. The Constitution for the State of Tennessee only allows the local legislative body to issue debt. Therefore, whenever the Hamblen County Board of Education requires the issuance of debt to fund major capital projects or equipment purchases, the related debt must be issued by the Hamblen County Government. At the end of the current fiscal year, Hamblen County had outstanding debt related to the Hamblen County Board of Education of \$22,018,129. The related assets for this debt are reported on the Statement of Net Position under component units in the column "Hamblen County School Department." The discretely presented Hamblen County School Department's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2020, by \$66,612,676.

By far, the largest portion of Hamblen County's and the discretely presented Hamblen County School Department's net position is their investment in capital assets, \$15,902,067 and \$56,160,032 respectively, (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. Hamblen County and the discretely presented Hamblen County School Department use these capital assets to provide services to its citizens; therefore, these assets are not available to meet any obligations. Although Hamblen County's investment in capital assets is reported net of related debt, resources needed to repay this debt must come from outside resources because the capital assets themselves cannot be liquidated to pay these liabilities.

Restricted assets respectively comprise \$6,253,823 and \$25,597,950 of Hamblen County's and the discretely presented Hamblen County School Department's net position. These restricted assets are subject to external restrictions on how the funds may be used.

The following tables provide a summary of Hamblen County's and the discretely presented Hamblen County's School Department's net position at June 30, 2020 and a comparison to the prior year.

Hamblen County's and the Discretely Presented Hamblen County School Department's Net Position

		STATEMENT OF NET POSITION	
		Hamblen County Primary Government Governmental Activities	
		2020	2019
Current and Other Assets		\$ 57,263,304	\$ 35,203,966
Capital Assets		20,484,898	18,857,019
Total Assets		<u>\$ 77,748,202</u>	<u>\$ 54,060,985</u>
Total Deferred Outflows of Resources		<u>\$ 1,855,454</u>	<u>\$ 1,932,263</u>
Long-term Liabilities Outstanding		<u>\$ 33,438,255</u>	<u>\$ 15,410,621</u>
Other Liabilities		<u>15,128,638</u>	<u>5,466,718</u>
Total Liabilities		<u>\$ 48,566,893</u>	<u>\$ 20,877,339</u>
Total Deferred Inflows of Resources		<u>\$ 18,057,012</u>	<u>\$ 17,018,963</u>
Net Position:			
Net Investment in Capital Assets		\$ 15,902,067	\$ 15,189,941
Restricted		6,253,823	4,095,777
Unrestricted		<u>(9,176,139)</u>	<u>(1,188,772)</u>
Total Net Position		<u>\$ 12,979,751</u>	<u>\$ 18,096,946</u>
		Hamblen County School Department Governmental Activities	
		2020	2019
Current and Other Assets		\$ 55,313,042	\$ 37,866,291
Capital Assets		56,160,032	54,193,955
Total Assets		<u>\$ 111,473,074</u>	<u>\$ 92,060,246</u>
Other Deferred Outflows		<u>\$ 8,484,128</u>	<u>\$ 10,216,240</u>
Long-term Liabilities Outstanding		<u>\$ 15,621,646</u>	<u>\$ 25,120,714</u>
Other Liabilities		<u>2,296,517</u>	<u>1,316,048</u>
Total Liabilities		<u>\$ 17,918,163</u>	<u>\$ 26,436,762</u>
Total Deferred Inflows of Resources		<u>\$ 35,426,363</u>	<u>\$ 25,940,818</u>
Net Position:			
Net Investment in Capital Assets		\$ 56,160,032	\$ 54,193,955
Restricted		25,597,950	9,700,694
Unrestricted		<u>(15,145,306)</u>	<u>(13,995,743)</u>
Total Net Position		<u>\$ 66,612,676</u>	<u>\$ 49,898,906</u>

Governmental Activities and Statement of Activities and Changes in Net Position

The Statement of Activities and Changes in Net Position presents information on Revenues and Expenses and distinguishes between program revenues associated with specific programs and general revenues which are not limited to specific programs. This statement also presents information how net position changed during the year.

The following tables provide a summary of how Hamblen County's and the discretely presented Hamblen County's School Department's net position changed during the current fiscal year and a comparison to the prior year.

Hamblen County's and the Discretely Presented Hamblen County School Department's Changes in Net Position

	Hamblen County Primary Government Governmental Activities	
	2020	2019
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,462,878	\$ 5,798,369
Operating Grants and Contributions	3,288,814	3,303,294
Capital Grants and Contributions	509,048	523,638
General Revenues:		
Property Taxes	16,752,536	16,733,734
Sales Taxes	1,150,221	947,954
Other Taxes	3,237,282	3,325,990
Grants and Contributions Not Restricted to Specific Programs	2,055,210	2,173,625
Unrestricted Investment Income	483,930	317,820
Miscellaneous	112,990	497,343
Total Revenues	<u>\$ 33,052,909</u>	<u>\$ 33,621,767</u>
Expenses:		
General Government	\$ 3,384,365	\$ 3,219,055
Finance	3,082,207	2,853,472
Administration of Justice	2,997,698	3,238,848
Public Safety	9,132,857	8,682,367
Public Health and Welfare	3,677,195	3,612,402
Social, Cultural, and Recreational Services	1,309,528	1,097,122
Agriculture and Natural Resources	229,609	238,091
Highways	2,963,228	2,924,460
Education	10,417,763	12,740
Interest	1,192,604	983,333
Total Expenses	<u>\$ 38,387,054</u>	<u>\$ 26,861,890</u>
Change in Fair Value of Derivatives - Interest Rate Swap	<u>\$ 216,950</u>	<u>\$ 203,274</u>
Increase (Decrease) in Net Position	\$ (5,117,195)	\$ 6,963,151
Net Position, July 1	18,096,946	11,133,795
Net Position, June 30	<u>\$ 12,979,751</u>	<u>\$ 18,096,946</u>

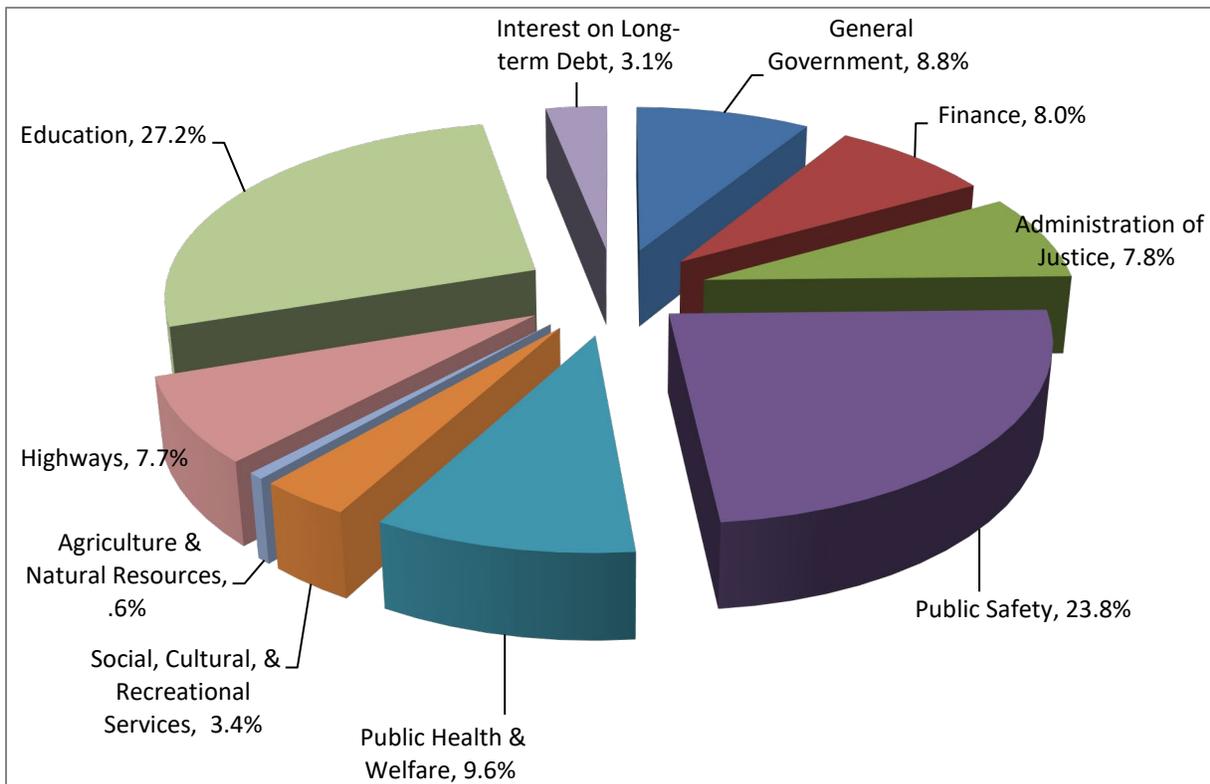
Hamblen County's and the Discretely Presented Hamblen County School Department's Changes in Net Position (Cont.)

	Hamblen County Primary Government Governmental Activities	
	2020	2019
Education	\$ 10,417,763	\$ 12,740
Interest	1,192,604	983,333
Total Expenses	\$ 38,387,054	\$ 26,861,890
Change in Fair Value of Derivatives - Interest Rate Swap	\$ 216,950	\$ 203,274
Increase (Decrease) in Net Position	\$ (5,117,195)	\$ 6,963,151
Net Position, July 1	18,096,946	11,133,795
Net Position, June 30	\$ 12,979,751	\$ 18,096,946
	Hamblen County School Department Governmental Activities	
	2020	2019
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,678,075	\$ 2,182,477
Operating Grants and Contributions	9,612,328	8,192,409
Capital Grants and Contributions	10,529,866	103,267
General Revenues:		
Property Taxes	12,951,021	13,798,776
Sales Taxes	14,907,889	14,503,003
Other Taxes	71,138	62,720
Grants and Contributions Not Restricted to Specific Programs	58,862,572	57,727,936
Unrestricted Investment Income	45,680	16,336
Gain on Investments	12,656	9,633
Miscellaneous	4,756	25,390
Gain on Disposal of Assets	0	14,082
Total Revenues	\$ 108,675,981	\$ 96,636,029
Expenses:		
Education	\$ 91,962,211	\$ 88,547,102
Total Expenses	\$ 91,962,211	\$ 88,547,102
Increase (Decrease) in Net Position	\$ 16,713,770	\$ 8,088,927
Net Position, July 1	49,898,906	41,809,979
Net Position, June 30	\$ 66,612,676	\$ 49,898,906

Governmental Program Expense

The following illustration shows expenses from governmental activities as presented in Exhibit B before they are offset by direct program revenues. Education expenses of \$10,417,763, Public Safety expenses of \$9,132,857, Public Health and Welfare expenses of \$3,677,195, and General Government expenses of \$3,384,365 are the largest categories of expenses of Hamblen County, which when combined total \$26,612,180 and are 69.4 percent of total expenses. Note that Education expenses are significantly higher than the prior year due to the \$10,400,000 appropriated for the Hamblen County Board of Education for improvements to West High School.

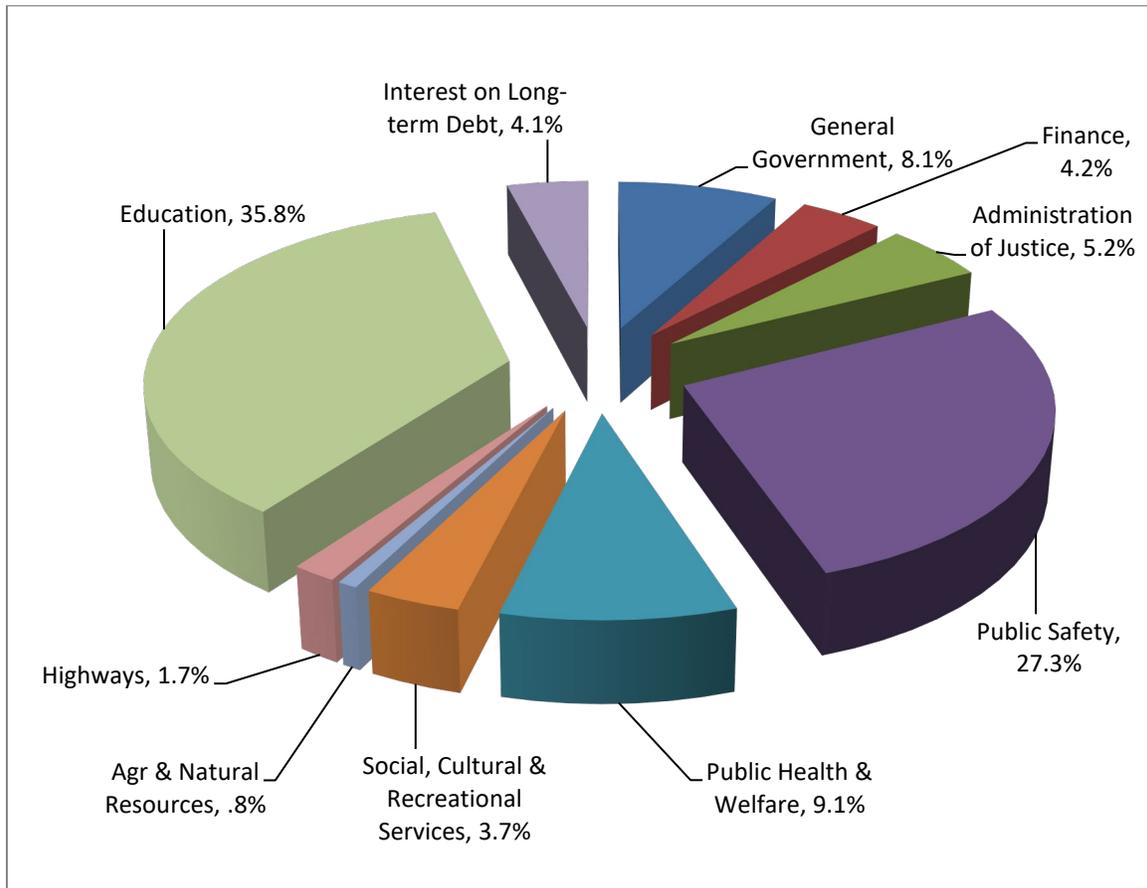
Note that amounts are rounded to one decimal place in the following chart.



Governmental Program Net Expense

The following illustration shows the “net (expense)” from Exhibit B as a percentage of total net expense. Net expense is all program expense netted against all direct program revenues. Net expense provides an indicator of the impact a program or function has on the local tax base because net expense must generally be funded from local tax sources. Education net expense of \$10,417,763, Public Safety net expense of \$7,947,684, Public Health and Welfare net expense of \$2,642,871, and General Government net expense of \$2,352,746 are the largest categories of net expense of Hamblen County, which when combined total \$23,361,064 and are 80.3 percent of total net expense. Note that Education net expenses are significantly higher than the prior year due to the \$10,400,000 appropriated for the Hamblen County Board of Education for improvements to West High School.

Note all amounts are recorded to one decimal place in the following chart.



Analysis of Revenues

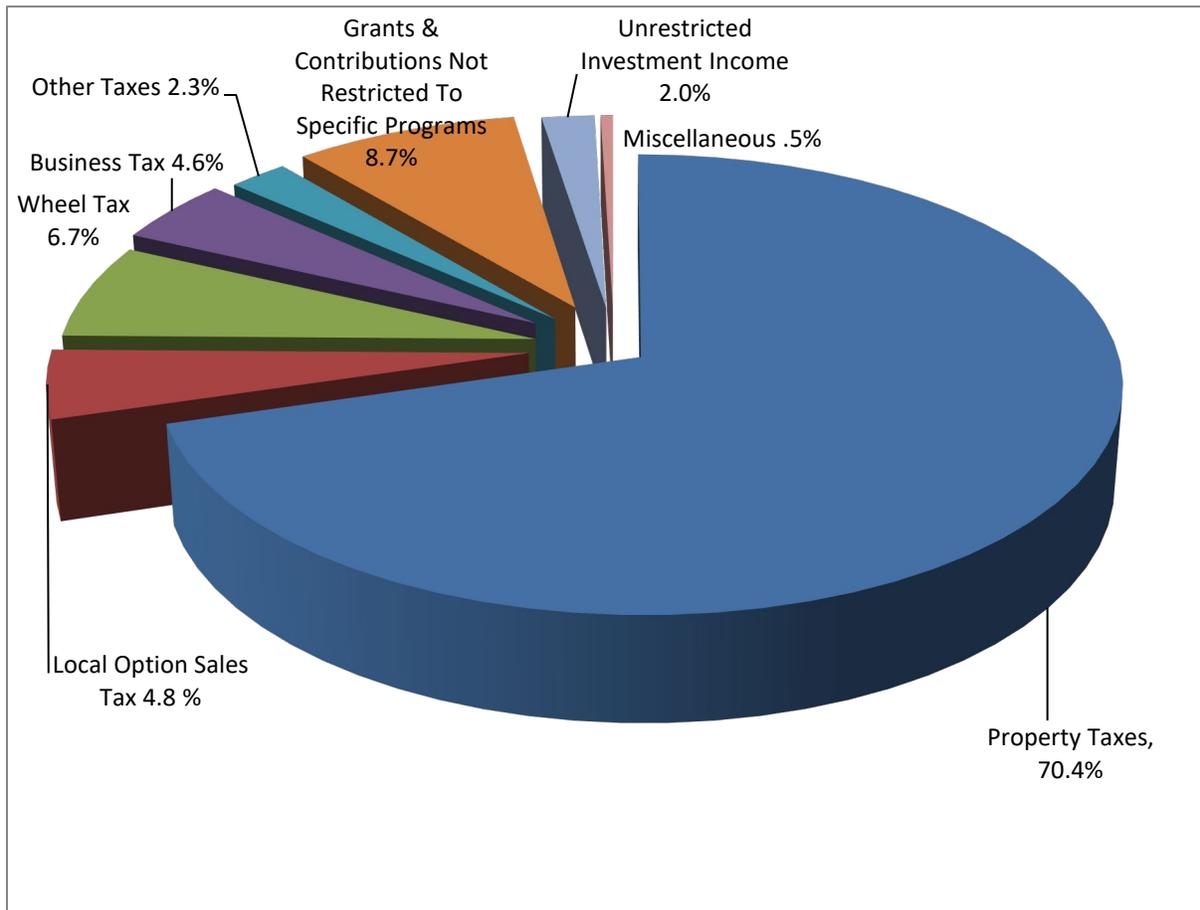
Revenues on the government-wide Statement of Activities are broken into two major categories, program and general revenues.

Program revenues are three types: charges for services (arise from charges to customers), operating grants and contributions (restricted for a specific purpose), and capital grants and contributions (restricted for a specific purpose).

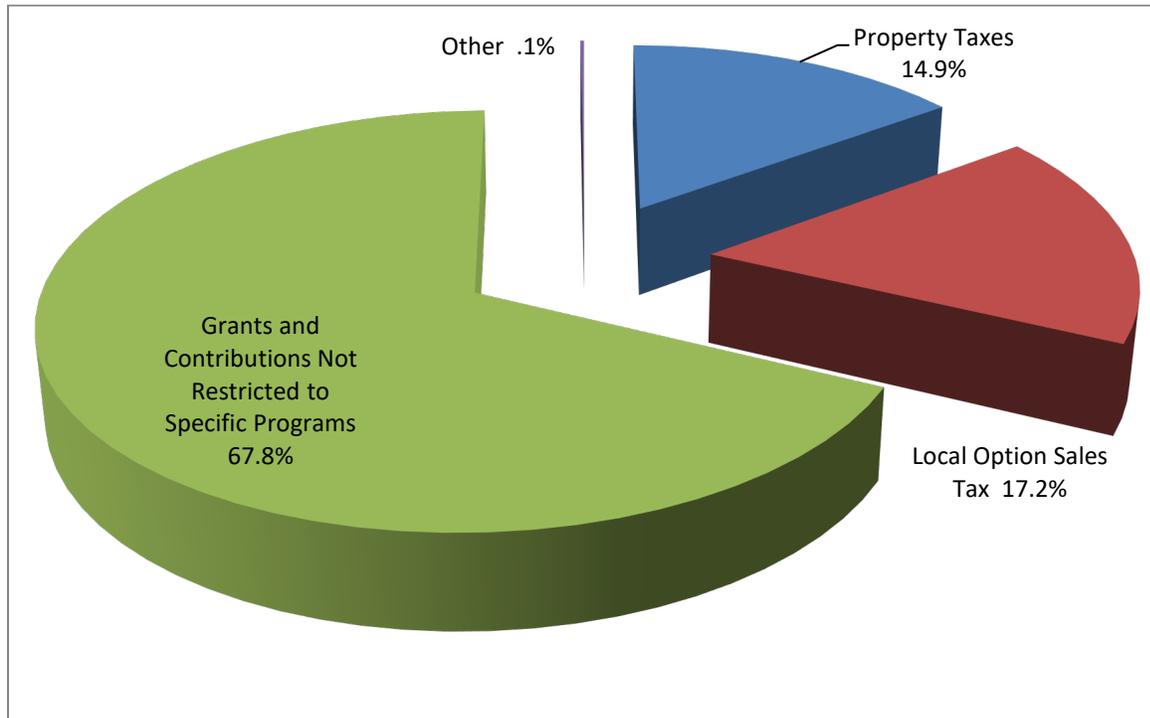
General revenues are all revenues that do not qualify as program revenues and are by far the largest revenue source. The largest single revenue sources within this major category are property taxes for the county and grants and contributions not restricted to specific programs for the discretely presented Hamblen County School Department.

The following illustrations present the general revenues received by Hamblen County and by the discretely presented Hamblen County School Department by source and by percentage. Note all amounts are rounded to one decimal place in the following charts.

**Primary Government
General Revenues by Source – Governmental Activities**



Hamblen County School Department Revenues by Source – Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Hamblen County and the discretely presented Hamblen County School Department use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Hamblen County's and the discretely presented Hamblen County School Department's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Hamblen County's and the discretely presented Hamblen County School Department's financing requirements.

In 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, restricted, committed, assigned, or unassigned.

- **Nonspendable Fund Balance** – The nonspendable fund balance reflected in Hamblen County’s and the discretely presented Hamblen County School Department’s governmental funds totaling \$85,300 and \$152,001 respectively, 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** – The restricted fund balance reflected in Hamblen County’s and the discretely presented Hamblen County School Department’s governmental funds totaling \$13,298,855 and \$13,345,798, respectively, 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. Amounts Restricted for Capital Projects in Hamblen County’s governmental funds increased by \$8,634,361 from the prior year. Amounts Restricted for Capital Projects in Hamblen County School Department’s governmental funds increased by \$7,926,386 from the prior year. These increases are due to the jail and justice center construction project and to the improvements for West High School.
- **Committed Fund Balance** – The committed fund balance reflected in Hamblen County’s and the discretely presented Hamblen County School Department’s governmental funds total \$6,077,425 and \$755,414, respectively. Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Hamblen County Commission, the county’s highest level of decision-making authority.
- **Assigned Fund Balance** – The assigned fund balance reflected in Hamblen County’s and the discretely presented Hamblen County School Department’s governmental funds total \$372,792 and \$4,141,005, respectively. Assigned fund balance includes amounts that are constrained by the intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The Hamblen County Commission or the finance director is authorized to make assignments.
- **Unassigned Fund Balance** – The unassigned fund balance reflected in Hamblen County’s and the discretely presented Hamblen County School Department’s governmental funds total \$5,974,710 and \$8,031,170, respectively. Unassigned fund balance 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. Unassigned fund balance is the residual classification for the General and General Purpose School funds.

As of the end of the current fiscal year, Hamblen County’s governmental funds reported fund balances totaling \$25,809,082, an increase of \$11,653,348. The increase in the county’s fund balances is attributed to bond proceeds in excess of expenditures for construction projects as well as revenues exceeding expenses in the other major funds. The discretely presented Hamblen County School Department’s governmental funds reported fund balances totaling \$26,425,388, an increase of \$8,704,169. The increase in the discretely presented Hamblen County School Department’s governmental fund balances is attributed

to revenue collections exceeding expenditures primarily in the Education Capital Projects fund.

The General Fund is the chief operating fund of Hamblen County. At the end of the current fiscal year, unassigned fund balance was \$5,974,710, while total fund balance reached \$6,707,890. Total fund balance for the General Fund increased \$795,229. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 29.21 percent of total General Fund expenditures (including other uses), while total fund balance represents 32.8 percent of that same amount.

The Other Capital Projects Fund’s fund balances totaled \$8,603,331 at June 30, 2020, an increase of \$8,603,331 from the previous year.

The General Debt Service Fund had a total fund balance of \$6,454,942 at June 30, 2020, an increase of \$2,503,488.

The General Purpose School Fund is the chief operating fund of the discretely presented Hamblen County School Department. At the end of the current fiscal year, unassigned fund balance was \$8,031,170, while total fund balance increased to \$12,917,889. Total fund balance for the General Purpose School Fund increased \$480,391. As a measure of the General Purpose School Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 9.3 percent of total General Purpose School Fund expenditures, while total fund balance represents 14.97 percent of total General Purpose School Fund expenditures.

BUDGETARY HIGHLIGHTS

General Fund Budgetary Highlights

During the fiscal year, appropriations from the original budget were increased by a total of 2.9 percent. These differences are summarized in the following table:

	<u>Original</u>	<u>Amended</u>	<u>Increase (Decrease)</u>
Appropriations:			
General Government	\$ 2,379,891	\$ 2,417,553	\$ 37,662
Finance	2,486,030	2,516,333	30,303
Administration of Justice	3,123,203	3,150,837	27,634
Public Safety	8,850,969	8,947,995	97,026
Public Health and Welfare	1,212,890	1,241,650	28,760
Social, Cultural, and Recreational Services	1,012,764	1,188,918	176,154
Agriculture and Natural Resources	247,953	247,953	0
Other Operations	1,806,615	1,889,124	82,509
Operation of Non-Instructional Services	6,000	6,000	0
Capital Projects	487,973	629,973	142,000
Total Appropriations	<u>\$ 21,614,288</u>	<u>\$ 22,236,336</u>	<u>\$ 622,048</u>

The increase in Social, Cultural, and Recreational Services is due to an increase in electricity and water and sewer costs related to new services and higher utilization of park services at Cherokee Park and to recording TDEC grants of \$137,387.

The increase in Capital Projects is due to amendments approved for upgrading video and audio capabilities to the historic courtroom, recording an election security grant, and funding the completion of the Veteran’s Memorial as well as recording insurance proceeds for a replacement sheriff’s vehicle.

At the close of the fiscal year, actual expenditures were \$1,784,369 less than budgetary estimates. This is attributed to the conservative management of elected officials and department heads.

Discretely Presented Hamblen County School Department – General Purpose Fund Budgetary Highlights

The final budget’s amended appropriations increased by \$969,929 compared to the original budget of \$90,758,309. At the close of the fiscal year, actual expenditures were \$5,803,430 less than final budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Hamblen County’s investment in capital assets, net of accumulated depreciation, as of June 30, 2020, totaled \$20,484,898. This investment in capital assets includes land, buildings and improvements, other capital assets (includes vehicles and equipment), and infrastructure (includes roads, highways, and bridges).

<u>Asset</u>	<u>Historical Value</u>	<u>Accumulated Depreciation</u>	<u>Net Value 6-30-20</u>
Land	\$ 1,733,818	\$ 0	\$ 1,733,818
Construction in Progress	1,045,182	0	1,045,182
Buildings and Improvements	12,132,269	(6,101,819)	6,030,450
Infrastructure	17,063,224	(7,326,616)	9,736,608
Other Capital Assets	<u>9,423,021</u>	<u>(7,484,181)</u>	<u>1,938,840</u>
Total	<u>\$ 41,397,514</u>	<u>\$ (20,912,616)</u>	<u>\$ 20,484,898</u>

The discretely presented Hamblen County School Department’s investment in capital assets, net of accumulated depreciation, as of June 30, 2020, totaled \$56,160,032. This investment in capital assets includes land, buildings and improvements, and other capital assets (includes vehicles and equipment).

Asset	Historical Value	Accumulated Depreciation	Net Value 6-30-20
Land	\$ 4,483,652	\$ 0	\$ 4,483,652
Construction in Progress	3,183,235	0	3,183,235
Buildings and Improvements	143,084,722	(105,631,022)	37,453,700
Other Capital Assets	26,818,320	(15,778,875)	11,039,445
Total	<u>\$ 177,569,929</u>	<u>\$ (121,409,897)</u>	<u>\$ 56,160,032</u>

Additional details about Hamblen County's and the discretely presented Hamblen County School Department's capital assets can be found in the notes to the financial statements Note IV.C. Capital Assets. A table of contents has been provided with the specific page number.

Long-term Debt

At the end of the current fiscal year, Hamblen County had long-term debt obligations outstanding of \$34,578,769. Hamblen County made debt payments totaling \$2,788,854 during the year. All of this debt is backed by the full faith and credit of the county. Hamblen County maintains a rating of "Aa3" from Moody's and "AA-" from Standard and Poor's for general obligation debt. The county did not have any capital outlay notes outstanding at June 30, 2020. Additional information on Hamblen County Government's long-term debt can be found in Exhibit K-1, Exhibit K-2, Note IV.B, and Note IV.F of this report.

Type of Debt Liability	
Bonds	\$ 21,590,000
Other Loans Payable	12,988,769
Balance, June 30	<u>\$ 34,578,769</u>
Balance Due Within One Year	<u>\$ 2,883,854</u>

There is \$6,454,942 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$345, based on the 2010 federal census. Total debt per capital, including bonds, and unamortized premium on debt, total \$574, based on the 2010 federal census.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

On July 23, 2020, Hamblen County adopted a budget resolution for the fiscal year ending June 30, 2021.

A tax levy resolution for tax year 2020 was also adopted on July 23, 2020. Tax year 2020 was a property reappraisal year for Hamblen County. The tax rate was increased by three

cents increasing the tax rate of the General Debt Service Fund. The distribution of the 2020 property tax rate is shown below:

Fund	Inside	Outside
General	\$ 0.62	\$ 0.62
Solid Waste/Sanitation	0.00	0.21
General Purpose School	0.80	0.80
General Debt Service	0.34	0.34
Total	\$ 1.76	\$ 1.97

The unemployment rate for the county as of June 30, 2020, was 9.2 percent. The state’s average unemployment rate as of June 30, 2020, was 9.7 percent and the national average was 11.1 percent. The unemployment rate for the county as of June 30, 2019, was 4.6 percent. The state’s average unemployment rate as of June 30, 2019, was 3.4 percent and the national average was 3.7 percent. The increase in the unemployment rate reflects the impact of COVID-19 on the unemployment rate at county, state and national levels. (Source: Tennessee Department of Labor & Workforce Development).

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the county’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Hamblen County Government, 511 West Second North Street, Morristown, Tennessee, 37814.

BASIC FINANCIAL STATEMENTS

Exhibit A

Hamblen County, Tennessee
Statement of Net Position
June 30, 2020

	Primary Governmental Activities	Component Unit Hamblen County School Department
<u>ASSETS</u>		
Cash	\$ 8,108	\$ 0
Equity in Pooled Cash and Investments	37,041,671	15,891,301
Inventories	0	152,001
Accounts Receivable	285,258	61,747
Due from Other Governments	1,265,173	3,634,909
Due from Primary Government	0	9,583,204
Property Taxes Receivable	17,939,841	13,838,091
Allowance for Uncollectible Property Taxes	(652,492)	(505,919)
Prepaid Items	154,056	0
Net Pension Asset - Agent Plan	1,221,689	1,276,142
Net Pension Asset - Teacher Retirement Plan	0	477,808
Net Pension Asset - Teacher Legacy Pension Plan	0	10,498,202
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	405,556
Capital Assets:		
Assets Not Depreciated:		
Land	1,733,818	4,483,652
Construction in Progress	1,045,182	3,183,235
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	6,030,450	37,453,700
Infrastructure	9,736,608	0
Other Capital Assets	1,938,840	11,039,445
Total Assets	<u>\$ 77,748,202</u>	<u>\$ 111,473,074</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 381,785	\$ 0
Deferred Charge on Refunding	128,182	0
Pension Changes in Experience	250,677	792,794
Pension Changes in Assumptions	306,965	1,751,935
Pension Changes in Proportion	0	222,943
Pension Contributions After Measurement Date	769,314	4,586,581
OPEB Changes in Experience	0	712
OPEB Changes in Assumptions	13,961	400,158
OPEB Contributions After Measurement Date	4,570	729,005
Total Deferred Outflows of Resources	<u>\$ 1,855,454</u>	<u>\$ 8,484,128</u>

(Continued)

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Hamblen County School Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,001,057	\$ 245,875
Accrued Payroll	480,763	9,725
Accrued Interest Payable	112,992	0
Payroll Deductions Payable	4	0
Contracts Payable	0	1,541,791
Retainage Payable	0	71,322
Due to Component Units	9,583,204	0
Other Current Liabilities	0	93,047
Derivative - Interest Rate Swap	1,066,764	0
Noncurrent Liabilities:		
Due Within One Year - Debt	2,883,854	0
Due Within One Year - Other	0	334,757
Due in More Than One Year - Debt	32,996,052	0
Due in More Than One Year - Other	442,203	15,621,646
Total Liabilities	<u>\$ 48,566,893</u>	<u>\$ 17,918,163</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 16,885,513	\$ 13,018,743
Pension Changes in Experience	187,676	6,691,964
Pension Changes in Investment Earnings	419,979	3,458,438
Pension Changes in Proportion	0	67,430
OPEB Changes in Experience	497,788	6,274,632
OPEB Changes in Assumptions	66,056	1,840,003
OPEB Changes in Proportion	0	4,075,153
Total Deferred Inflows of Resources	<u>\$ 18,057,012</u>	<u>\$ 35,426,363</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 15,902,067	\$ 56,160,032
Restricted for:		
General Government	73,712	0
Finance	39,829	0
Administration of Justice	169,863	0
Public Safety	151,909	0
Public Health and Welfare	75,387	0
Highway/Public Works	1,817,040	0
Debt Service	2,673,364	0
Capital Projects	31,030	7,970,421
Education	0	4,969,821
Pensions	1,221,689	12,657,708
Unrestricted	<u>(9,176,139)</u>	<u>(15,145,306)</u>
Total Net Position	<u>\$ 12,979,751</u>	<u>\$ 66,612,676</u>

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

Exhibit B

Hamblen County, Tennessee
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Hamblen County School Department
					Total	
Primary Government:						
Governmental Activities:						
General Government	\$ 3,384,365	\$ 873,431	\$ 147,633	\$ 10,555	\$ (2,352,746)	\$ 0
Finance	3,082,207	1,852,750	0	0	(1,229,457)	0
Administration of Justice	2,997,698	1,396,853	9,000	59,969	(1,531,876)	0
Public Safety	9,132,857	1,003,117	72,597	109,459	(7,947,684)	0
Public Health and Welfare	3,677,195	170,683	736,625	127,016	(2,642,871)	0
Social, Cultural, and Recreational Services	1,309,528	166,044	0	64,531	(1,078,953)	0
Agriculture and Natural Resources	229,609	0	6,016	0	(223,593)	0
Highways	2,963,228	0	2,316,943	137,518	(508,767)	0
Education	10,417,763	0	0	0	(10,417,763)	0
Interest on Long-term Debt	1,192,604	0	0	0	(1,192,604)	0
Total Primary Government	<u>\$ 38,387,054</u>	<u>\$ 5,462,878</u>	<u>\$ 3,288,814</u>	<u>\$ 509,048</u>	<u>\$ (29,126,314)</u>	<u>\$ 0</u>
Component Unit:						
Hamblen County School Department	\$ 91,962,211	\$ 1,678,075	\$ 9,612,328	\$ 10,529,866	\$ 0	\$ (70,141,942)
Total Component Unit	<u>\$ 91,962,211</u>	<u>\$ 1,678,075</u>	<u>\$ 9,612,328</u>	<u>\$ 10,529,866</u>	<u>\$ 0</u>	<u>\$ (70,141,942)</u>

(Continued)

Exhibit B

Hamblen County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental	Unit
				Total	Hamblen County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 10,427,231	\$ 12,951,021
Property Taxes Levied for Public Health and Welfare Purposes					1,239,617	0
Property Taxes Levied for Debt Purposes					5,085,688	0
Local Option Sales Taxes					1,150,221	14,907,889
Hotel/Motel Tax					10,624	0
Wheel Tax					1,591,509	0
Litigation Tax - General					116,280	0
Litigation Tax - Special Purpose					49,121	0
Litigation Tax - Jail/Workhouse/Courthouse					98,097	0
Litigation Tax - Courtroom Security					106,130	0
Business Tax					1,100,141	0
Mixed Drink Tax					0	71,138
Mineral Severance Tax					46,642	0
Wholesale Beer Tax					118,738	0
Grants and Contributions Not Restricted to Specific Programs					2,055,210	58,862,572
Unrestricted Investment Income					483,930	45,680
Gain on Investments					0	12,656
Miscellaneous					112,990	4,756
Total General Revenues					<u>\$ 23,792,169</u>	<u>\$ 86,855,712</u>
Change in Fair Value of Derivatives - Interest Rate Swap					<u>\$ 216,950</u>	<u>\$ 0</u>
Change in Net Position					<u>\$ (5,117,195)</u>	<u>\$ 16,713,770</u>
Net Position, July 1, 2019					<u>18,096,946</u>	<u>49,898,906</u>
Net Position, June 30, 2020					<u>\$ 12,979,751</u>	<u>\$ 66,612,676</u>

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

Exhibit C-1

Hamblen County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			Nonmajor	Total
	General	General Debt Service	Other Capital Projects	Funds Other Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 0	\$ 7,908	\$ 8,008
Equity in Pooled Cash and Investments	7,109,832	6,363,401	18,296,535	4,212,862	35,982,630
Accounts Receivable	182,694	0	0	96,027	278,721
Due from Other Governments	647,236	0	0	614,734	1,261,970
Due from Other Funds	71,199	0	0	700	71,899
Property Taxes Receivable	10,735,596	5,865,710	0	1,338,535	17,939,841
Allowance for Uncollectible Property Taxes	(396,969)	(208,194)	0	(47,329)	(652,492)
Prepaid Items	11,500	73,800	0	0	85,300
Total Assets	\$ 18,361,188	\$ 12,094,717	\$ 18,296,535	\$ 6,223,437	\$ 54,975,877
<u>LIABILITIES</u>					
Accounts Payable	\$ 408,378	\$ 0	\$ 110,000	\$ 346,161	\$ 864,539
Accrued Payroll	397,248	0	0	83,515	480,763
Payroll Deductions Payable	0	0	0	4	4
Due to Other Funds	396,075	0	0	167,735	563,810
Due to Component Units	0	0	9,583,204	0	9,583,204
Total Liabilities	\$ 1,201,701	\$ 0	\$ 9,693,204	\$ 597,415	\$ 11,492,320
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,089,525	\$ 5,532,965	\$ 0	\$ 1,263,023	\$ 16,885,513
Deferred Delinquent Property Taxes	213,619	106,810	0	25,268	345,697
Other Deferred/Unavailable Revenue	148,453	0	0	294,812	443,265
Total Deferred Inflows of Resources	\$ 10,451,597	\$ 5,639,775	\$ 0	\$ 1,583,103	\$ 17,674,475

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	General Debt Service	Other Capital Projects	Other Governmental Funds		
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 11,500	\$ 73,800	\$ 0	\$ 0	\$ 0	\$ 85,300
Restricted:						
Restricted for General Government	73,712	0	0	0	0	73,712
Restricted for Finance	39,829	0	0	0	0	39,829
Restricted for Administration of Justice	169,863	0	0	0	0	169,863
Restricted for Public Safety	15,365	0	0	136,544	0	151,909
Restricted for Public Health and Welfare	50,119	0	0	0	0	50,119
Restricted for Highways/Public Works	0	0	0	1,612,508	0	1,612,508
Restricted for Debt Service	0	2,566,554	0	0	0	2,566,554
Restricted for Capital Projects	0	0	8,603,331	31,030	0	8,634,361
Committed:						
Committed for Public Health and Welfare	0	0	0	1,973,107	0	1,973,107
Committed for Debt Service	0	3,814,588	0	0	0	3,814,588
Committed for Capital Projects	0	0	0	289,730	0	289,730
Assigned:						
Assigned for General Government	59,926	0	0	0	0	59,926
Assigned for Finance	17,131	0	0	0	0	17,131
Assigned for Public Safety	56,606	0	0	0	0	56,606
Assigned for Public Health and Welfare	76,029	0	0	0	0	76,029
Assigned for Social, Cultural, and Recreational Services	30,074	0	0	0	0	30,074
Assigned for Other Operations	11,775	0	0	0	0	11,775
Assigned for Other Purposes	121,251	0	0	0	0	121,251
Unassigned	5,974,710	0	0	0	0	5,974,710
Total Fund Balances	\$ 6,707,890	\$ 6,454,942	\$ 8,603,331	\$ 4,042,919	\$ 0	\$ 25,809,082
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,361,188	\$ 12,094,717	\$ 18,296,535	\$ 6,223,437	\$ 0	\$ 54,975,877

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

Exhibit C-2

Hamblen County, 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)		\$ 25,809,082
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,733,818	
Add: construction in progress	1,045,182	
Add: buildings and improvements net of accumulated depreciation	6,030,450	
Add: infrastructure net of accumulated depreciation	9,736,608	
Add: other capital assets net of accumulated depreciation	<u>1,938,840</u>	20,484,898
(2) An internal service fund is used by management to charge the cost of employee insurance programs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,493,030
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (12,988,769)	
Less: bonds payable	(21,590,000)	
Less: OPEB liability	(442,203)	
Add: deferred amount on refunding	128,182	
Less: fair value of derivative - interest rate swap	(1,066,764)	
Add: deferred outflows on interest rate swap	381,785	
Less: accrued interest on bonds and other loans payable	(112,992)	
Less: unamortized premium on debt	<u>(1,301,137)</u>	(36,991,898)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,326,956	
Less: deferred inflows of resources related to pensions	(607,655)	
Add: deferred outflows of resources related to OPEB	18,531	
Less: deferred inflows of resources related to OPEB	<u>(563,844)</u>	173,988
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,221,689
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>788,962</u>
Net position of governmental activities (Exhibit A)		<u>\$ 12,979,751</u>

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

Exhibit C-3

Hamblen County, 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	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 13,622,217	\$ 5,369,441	\$ 0	\$ 2,486,400	\$ 21,478,058
Licenses and Permits	485,815	0	0	1,472	487,287
Fines, Forfeitures, and Penalties	167,667	41,873	0	44,842	254,382
Charges for Current Services	334,658	0	0	12,930	347,588
Other Local Revenues	184,217	981,245	4,048	26,127	1,195,637
Fees Received From County Officials	3,304,829	0	0	0	3,304,829
State of Tennessee	2,814,481	0	0	2,858,259	5,672,740
Federal Government	158,876	0	0	12,781	171,657
Other Governments and Citizens Groups	133,310	0	0	8,997	142,307
Total Revenues	\$ 21,206,070	\$ 6,392,559	\$ 4,048	\$ 5,451,808	\$ 33,054,485
<u>Expenditures</u>					
Current:					
General Government	\$ 2,224,290	\$ 0	\$ 0	\$ 0	\$ 2,224,290
Finance	2,363,768	0	0	0	2,363,768
Administration of Justice	2,900,554	0	0	12,930	2,913,484
Public Safety	8,223,617	0	0	125,483	8,349,100
Public Health and Welfare	1,021,728	0	0	2,669,672	3,691,400
Social, Cultural, and Recreational Services	1,148,777	0	0	0	1,148,777
Agriculture and Natural Resources	230,086	0	0	0	230,086
Other Operations	1,811,138	0	0	0	1,811,138
Highways	0	0	0	3,043,758	3,043,758
Operation of Non-Instructional Services	5,000	0	0	0	5,000
Debt Service:					
Principal on Debt	0	2,788,854	0	0	2,788,854
Interest on Debt	0	984,064	0	0	984,064

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Debt Service (Cont.)					
Other Debt Service	\$ 0	\$ 116,153	\$ 0	\$ 0	\$ 116,153
Capital Projects	524,961	0	12,532,603	119,039	13,176,603
Total Expenditures	<u>\$ 20,453,919</u>	<u>\$ 3,889,071</u>	<u>\$ 12,532,603</u>	<u>\$ 5,970,882</u>	<u>\$ 42,846,475</u>
<u>Excess (Deficiency) of Revenues</u>					
Over Expenditures	<u>\$ 752,151</u>	<u>\$ 2,503,488</u>	<u>\$ (12,528,555)</u>	<u>\$ (519,074)</u>	<u>\$ (9,791,990)</u>
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 19,995,000	\$ 0	\$ 19,995,000
Premiums on Debt Sold	0	0	1,294,385	0	1,294,385
Insurance Recovery	43,078	0	0	112,875	155,953
Transfers In	0	0	0	157,499	157,499
Transfers Out	0	0	(157,499)	0	(157,499)
Total Other Financing Sources (Uses)	<u>\$ 43,078</u>	<u>\$ 0</u>	<u>\$ 21,131,886</u>	<u>\$ 270,374</u>	<u>\$ 21,445,338</u>
Net Change in Fund Balances	\$ 795,229	\$ 2,503,488	\$ 8,603,331	\$ (248,700)	\$ 11,653,348
Fund Balance, July 1, 2019	<u>5,912,661</u>	<u>3,951,454</u>	<u>0</u>	<u>4,291,619</u>	<u>14,155,734</u>
Fund Balance, June 30, 2020	<u>\$ 6,707,890</u>	<u>\$ 6,454,942</u>	<u>\$ 8,603,331</u>	<u>\$ 4,042,919</u>	<u>\$ 25,809,082</u>

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

Exhibit C-4

Hamblen County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 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)		\$ 11,653,348
(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	\$ 2,718,292	
Less: current-year depreciation expense	<u>(1,107,013)</u>	1,611,279
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 60,000	
Less: book value of capital assets disposed	<u>(43,400)</u>	16,600
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 788,962	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(1,004,932)</u>	(215,970)
(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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: change in unamortized premium on debt issuances	\$ (1,268,293)	
Less: change in unamortized debt discounts	(38,564)	
Add: principal payments on other loans	2,173,854	
Add: principal payments on bonds	615,000	
Less: bond proceeds	<u>(19,995,000)</u>	
Add: change in fair value of derivatives - interest rate swap	55,616	
Add: change in deferred outflows on derivative - interest rate swap	161,334	
Less: change in deferred amount on refunding debt	<u>(25,662)</u>	(18,321,715)
(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	\$ (54,253)	
Change in OPEB liability	351,805	
Change in net pension asset/liability	447,054	
Change in deferred outflows related to pensions	(223,499)	
Change in deferred inflows related to pensions	(103,763)	
Change in deferred outflows related to OPEB	11,018	
Change in deferred inflows related to OPEB	<u>(318,088)</u>	110,274
(6) An internal service fund is used by management to charge the cost of employee insurance to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with the governmental activities in the statement of activities.		<u>28,989</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (5,117,195)</u>

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

Exhibit C-5

Hamblen County, 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	
<u>Revenues</u>							
Local Taxes	\$ 13,622,217	\$ 0	\$ 0	\$ 13,622,217	\$ 13,507,625	\$ 13,527,825	\$ 94,392
Licenses and Permits	485,815	0	0	485,815	501,000	501,000	(15,185)
Fines, Forfeitures, and Penalties	167,667	0	0	167,667	219,050	219,050	(51,383)
Charges for Current Services	334,658	0	0	334,658	331,500	331,500	3,158
Other Local Revenues	184,217	0	0	184,217	120,000	156,505	27,712
Fees Received From County Officials	3,304,829	0	0	3,304,829	3,384,000	3,384,000	(79,171)
State of Tennessee	2,814,481	0	0	2,814,481	2,778,933	2,931,878	(117,397)
Federal Government	158,876	0	0	158,876	136,740	209,997	(51,121)
Other Governments and Citizens Groups	133,310	0	0	133,310	111,250	168,472	(35,162)
Total Revenues	\$ 21,206,070	\$ 0	\$ 0	\$ 21,206,070	\$ 21,090,098	\$ 21,430,227	\$ (224,157)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 174,637	\$ 0	\$ 0	\$ 174,637	\$ 197,486	\$ 199,423	\$ 24,786
Board of Equalization	1,665	0	0	1,665	16,650	16,650	14,985
County Mayor/Executive	231,477	0	0	231,477	221,058	242,394	10,917
County Attorney	24,935	0	0	24,935	31,293	31,293	6,358
Election Commission	286,790	0	0	286,790	291,431	293,268	6,478
Register of Deeds	326,507	0	0	326,507	367,121	367,121	40,614
Planning	204,963	0	0	204,963	216,560	219,060	14,097
Codes Compliance	54,677	0	0	54,677	59,911	57,411	2,734
Geographical Information Systems	84,583	0	0	84,583	89,166	90,666	6,083
Other Facilities	815,167	0	0	815,167	868,471	879,523	64,356
Preservation of Records	18,889	0	0	18,889	20,744	20,744	1,855
<u>Finance</u>							
Accounting and Budgeting	421,329	0	0	421,329	427,196	429,311	7,982
Purchasing	41,706	0	0	41,706	42,012	42,012	306
Property Assessor's Office	348,260	0	0	348,260	360,395	360,395	12,135
Reappraisal Program	145,850	0	0	145,850	154,125	154,125	8,275
County Trustee's Office	344,979	0	0	344,979	395,124	398,312	53,333

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	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>Finance (Cont.)</u>							
County Clerk's Office	\$ 631,932	\$ 0	\$ 0	\$ 631,932	\$ 663,077	\$ 685,347	\$ 53,415
Data Processing	107,916	0	0	107,916	121,156	121,156	13,240
Other Finance	321,796	0	0	321,796	322,945	325,675	3,879
<u>Administration of Justice</u>							
Circuit Court	883,479	0	0	883,479	933,917	952,351	68,872
General Sessions Court	434,287	0	0	434,287	443,265	443,265	8,978
Drug Court	142,822	0	0	142,822	163,990	163,990	21,168
Chancery Court	386,687	(6,854)	0	379,833	392,723	399,723	19,890
Juvenile Court	282,965	0	0	282,965	317,468	317,468	34,503
Courtroom Security	770,314	(256)	0	770,058	871,840	874,040	103,982
<u>Public Safety</u>							
Sheriff's Department	3,037,324	(264)	660	3,037,720	3,159,945	3,209,822	172,102
Administration of the Sexual Offender Registry	2,958	0	0	2,958	4,500	5,500	2,542
Jail	4,153,957	0	0	4,153,957	4,580,542	4,599,462	445,505
Workhouse	69,605	0	0	69,605	80,447	82,947	13,342
Work Release Program	292,109	0	0	292,109	360,190	360,190	68,081
Fire Prevention and Control	220,000	0	0	220,000	220,000	220,000	0
Civil Defense	93,536	0	0	93,536	100,335	105,564	12,028
Other Emergency Management	189,133	0	0	189,133	189,133	189,133	0
Inspection and Regulation	4,506	0	0	4,506	4,877	4,877	371
County Coroner/Medical Examiner	140,639	0	0	140,639	131,000	150,500	9,861
Other Public Safety	19,850	0	0	19,850	20,000	20,000	150
<u>Public Health and Welfare</u>							
Local Health Center	716,120	0	0	716,120	889,657	923,167	207,047
Rabies and Animal Control	150,000	0	0	150,000	150,000	150,000	0
Nursing Home	5,000	0	0	5,000	5,000	5,000	0
Alcohol and Drug Programs	5,000	0	0	5,000	5,000	5,000	0
Crippled Children Services	6,000	0	0	6,000	6,000	6,000	0
Appropriation to State	109,233	0	0	109,233	109,233	109,233	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	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>Public Health and Welfare (Cont.)</u>							
Aid to Dependent Children	\$ 3,250	\$ 0	\$ 0	\$ 3,250	\$ 8,000	\$ 3,250	\$ 0
Other Local Welfare Services	27,125	0	0	27,125	40,000	40,000	12,875
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	11,600	0	0	11,600	11,600	11,600	0
Senior Citizens Assistance	6,500	0	0	6,500	6,500	6,500	0
Libraries	293,500	0	0	293,500	293,500	293,500	0
Parks and Fair Boards	273,509	0	0	273,509	290,164	311,151	37,642
Other Social, Cultural, and Recreational	563,668	0	0	563,668	411,000	566,167	2,499
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	161,131	0	0	161,131	165,206	165,206	4,075
Forest Service	1,000	0	0	1,000	1,000	1,000	0
Soil Conservation	50,413	0	0	50,413	50,787	50,787	374
Storm Water Management	17,542	0	0	17,542	30,960	30,960	13,418
<u>Other Operations</u>							
Tourism	43,975	0	0	43,975	54,700	54,700	10,725
Industrial Development	730,729	0	0	730,729	741,000	741,000	10,271
Veterans' Services	28,765	0	0	28,765	30,319	30,319	1,554
Employee Benefits	716,539	0	0	716,539	685,192	735,241	18,702
COVID-19 Grant #2	3,542	0	0	3,542	0	3,542	0
COVID-19 Grant #3	7,432	0	0	7,432	0	7,432	0
COVID-19 Grant #4	1,286	0	0	1,286	0	1,286	0
Miscellaneous	278,870	(1,360)	0	277,510	295,404	315,604	38,094
<u>Operation of Non-Instructional Services</u>							
Community Services	5,000	0	0	5,000	6,000	6,000	1,000
<u>Capital Projects</u>							
General Administration Projects	135,079	0	0	135,079	115,426	220,731	85,652
Public Safety Projects	281,525	(25,718)	31,840	287,647	259,006	294,281	6,634
Public Health and Welfare Projects	25,219	0	0	25,219	25,204	25,224	5
Social, Cultural, and Recreation Projects	72,186	0	0	72,186	74,250	75,650	3,464

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	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>Capital Projects (Cont.)</u>							
Other General Government Projects	\$ 10,952	\$ 0	\$ 0	\$ 10,952	\$ 14,087	\$ 14,087	\$ 3,135
Total Expenditures	\$ 20,453,919	\$ (34,452)	\$ 32,500	\$ 20,451,967	\$ 21,614,288	\$ 22,236,336	\$ 1,784,369
Excess (Deficiency) of Revenues Over Expenditures	\$ 752,151	\$ 34,452	\$ (32,500)	\$ 754,103	\$ (524,190)	\$ (806,109)	\$ 1,560,212
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 43,078	\$ 0	\$ 0	\$ 43,078	\$ 0	\$ 46,041	\$ (2,963)
Total Other Financing Sources	\$ 43,078	\$ 0	\$ 0	\$ 43,078	\$ 0	\$ 46,041	\$ (2,963)
Net Change in Fund Balance	\$ 795,229	\$ 34,452	\$ (32,500)	\$ 797,181	\$ (524,190)	\$ (760,068)	\$ 1,557,249
Fund Balance, July 1, 2019	5,912,661	(34,452)	0	5,878,209	5,751,118	5,751,118	127,091
Fund Balance, June 30, 2020	\$ 6,707,890	\$ 0	\$ (32,500)	\$ 6,675,390	\$ 5,226,928	\$ 4,991,050	\$ 1,684,340

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

Exhibit D-1

Hamblen County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2020

Governmental
 Activities -
 Internal Service
 Fund

 Employee
 Insurance -
 General

ASSETS

Current Assets:	
Cash	\$ 100
Equity in Pooled Cash and Investments	1,059,041
Accounts Receivable	6,537
Due from Other Governments	3,203
Due from Other Funds	491,911
Prepaid Items	68,756
Total Assets	<u>\$ 1,629,548</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 136,518
Total Liabilities	<u>\$ 136,518</u>

NET POSITION

Unrestricted	<u>\$ 1,493,030</u>
Total Net Position	<u>\$ 1,493,030</u>

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

Exhibit D-2

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

	Governmental Activities - Internal Service Fund
	Employee Insurance - General
<u>Operating Revenues</u>	
Self-insurance Premiums/Contributions	\$ 2,875,581
Other Employee Benefit Charges/Contributions	141,846
Other General Service Charges	48,919
Other Charges for Services	20,381
Total Operating Revenues	<u>\$ 3,086,727</u>
<u>Operating Expenses</u>	
Handling Charges and Administrative Costs	\$ 127,239
Dental and Vision Insurance	143,247
Consultants	35,300
Contracts with Private Agencies	388,976
Excess Risk Insurance	349,606
Medical Claims	1,290,330
Other Self-insured Claims	722,382
Surcharge	1,063
Total Operating Expenses	<u>\$ 3,058,143</u>
Operating Income	<u>\$ 28,584</u>
Nonoperating Revenue (Expenses)	
Miscellaneous Refunds	\$ 405
Total Nonoperating Revenues (Expenses)	<u>\$ 405</u>
Change in Net Position	\$ 28,989
Net Position, July 1, 2019	<u>1,464,041</u>
Net Position, June 30, 2020	<u><u>\$ 1,493,030</u></u>

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

Exhibit D-3

Hamblen County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance - General <hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self Insurance Premiums	\$ 2,627,462
Receipts for Other Insurance Premiums	141,846
Receipts for Patient Charges	49,211
Receipts for Stop-loss Recovery	21,194
Receipts for Prescription Rebates	139,042
Receipts for Other Charges from Services	20,381
Payments to Insurers and Consultants	(507,996)
Payments for Claims	(2,158,041)
Payments to Vendors	(389,766)
Payments for Administrative Costs	(127,239)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (183,906)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Miscellaneous Refunds	\$ 405
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 405</u>
Increase (Decrease) in Cash	\$ (183,501)
Cash, July 1, 2019	<u>1,242,642</u>
Cash, June 30, 2020	<u><u>\$ 1,059,141</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 28,584
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Receivables	(247,827)
(Increase) Decrease in Prepaid Items	21,220
Increase (Decrease) in Accounts Payable	14,117
Net Cash Provided By (Used In) Operating Activities	<u>\$ (183,906)</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 100
Equity in Pooled Cash and Investments Per Statement of Net Position	<u>1,059,041</u>
Cash, June 30, 2020	<u><u>\$ 1,059,141</u></u>

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

Exhibit E-1

Hamblen County, Tennessee
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Other Employee Benefit Trust Fund	Agency Funds
	<u>Employee Benefit Trust Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 5,152
Equity in Pooled Cash and Investments	5,592	2,578,270
Accounts Receivable	0	1,591
Due from Other Governments	<u>0</u>	<u>2,534,933</u>
Total Assets	<u>\$ 5,592</u>	<u>\$ 5,119,946</u>
<u>LIABILITIES</u>		
Due to Other Taxing Units	\$ 0	\$ 2,542,111
Due to Litigants, Heirs, and Others	<u>0</u>	<u>2,577,835</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 5,119,946</u>
<u>NET POSITION</u>		
Net Position Held in Trust for Employees	<u>\$ 5,592</u>	
Net Position	<u>\$ 5,592</u>	

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

Exhibit E-2

Hamblen County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2020

	Other Employee Benefit Trust Fund
	<u>Employee Benefit Trust Fund</u>
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 23,925
Total Additions	<u>\$ 23,925</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	<u>\$ 23,975</u>
Total Deductions	<u>\$ 23,975</u>
Change in Net Position	\$ (50)
Net Position, July 1, 2019	<u>5,642</u>
Net Position, June 30, 2020	<u><u>\$ 5,592</u></u>

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

HAMBLEN COUNTY, TENNESSEE
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HAMBLEN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Hamblen County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Hamblen County (the primary government) and its component units. The financial statements of the Hamblen 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 county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Hamblen County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Hamblen County. The Hamblen County Emergency Communications District is governed by an 11-member board of directors, which is appointed by the county mayor and confirmed by the Hamblen County Commission. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Hamblen County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Hamblen County Emergency
Communications District
530 North Jackson Street
Morristown, TN 37814

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. However, the primary government of Hamblen County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Hamblen County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Hamblen County issues all debt for the discretely presented Hamblen County School Department. Net debt issues totaling \$10,400,000 were 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 (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds 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 Hamblen County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Hamblen County only reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Hamblen County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of

accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Proprietary 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.

Hamblen County reports the following major governmental funds:

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

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

Other Capital Projects Fund – This fund is used to account for financial resources to be used in the acquisition or construction of capital assets.

Additionally, Hamblen County reports the following fund types:

Special Revenue Funds – These funds 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.

Internal Service Fund – The Employee Insurance - General Fund is used to account for the county’s self-insured health and fully insured dental and vision programs. Premiums charged to the various county funds and employee payroll deductions are placed in this fund to pay the claims and insurance premiums of county employees.

Other Employee Benefits Trust Fund – The Employee Benefits Trust Fund is used to account for operations of the flexible benefits program for Hamblen County employees.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Hamblen County. 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 Hamblen County School Department reports the following major governmental funds:

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

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

Central Cafeteria Fund – This special revenue fund is used to account for cafeteria operations in each of the schools. Service charges and federal grants are the foundational revenues of this fund.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Hamblen County and contributed to the school department for building construction and renovations.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund, used to account for the employees' health insurance program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's internal service fund are charges for services. Operating expenses for the internal service fund include administrative expenses and employee benefits.

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 demand deposits and cash on deposit with the county trustee.

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

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

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 State 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 State of America. Hamblen County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.95 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.

Retainage payable represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the applicable governmental funds.

3. Inventories and Prepaid Items

Inventories of the discretely presented Hamblen County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in the governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

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

funds are not subject to the claims of general creditors of the school department.

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Other Capital Assets	3 - 15
Infrastructure	100

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 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 the accumulated decrease in fair value of hedging derivatives, deferred charge on refunding, pension changes in experience, pension changes in assumptions, pension changes in proportion, pension contributions after the measurement date, OPEB

changes in experience, OPEB changes in assumptions, and OPEB contributions 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 government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and/or the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportion, OPEB changes in experience, OPEB changes in assumptions, OPEB 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

Vacation leave benefits for employees of Hamblen County do not vest or accumulate and must be used within the current year or are lost. Therefore, no accrual has been recorded for vacation pay.

Vacation benefits for all 12-month employees of the discretely presented Hamblen County School Department are earned in the current year for use in the subsequent year. Therefore, accrued leave balances payable of \$241,026 recorded as a liability in this report must be used in one year or are lost.

There is no liability for unpaid accumulated sick leave since Hamblen County and the school department do not have policies to pay any amounts when employees separate from service with the government.

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

over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and special termination benefits 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, Hamblen County had \$22,018,129 in outstanding debt for capital purposes for the discretely presented Hamblen County School Department. This debt is a liability of Hamblen County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Hamblen County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. However, in the school department's Education Capital Projects Fund, the county commission has required that committed funds provided by transfer from the General Purpose School Fund be expended before restricted funds provided through the issuance of debt. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

These classifications may consist of the following:

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county finance director to make assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the General Fund consists of amounts appropriated for use in the 2020-21 budget (\$11,775), amounts for encumbrances (\$32,500), amounts for various insurance premium increases (\$121,251), and various other assignments

(\$207,266). Assigned fund balance in the school department's General Purpose School Fund includes amounts assigned for use in the 2020-21 budget (\$1,620,417), textbooks (\$591,908), amounts for encumbrances (\$1,576,978) and other uses (\$351,702).

Unassigned Fund Balance – the residual classification of the General and General Purposes 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 Hamblen County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Hamblen County'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 Hamblen County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by

Hamblen County. For this purpose, Hamblen County recognizes benefit payments when due and payable in accordance with benefit terms. Hamblen County's OPEB plan is not administered through a trust.

Discretely Presented Hamblen County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Hamblen County School Department

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

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

Primary Government

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

Discretely Presented Hamblen County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds (excluding the Highway Capital Projects Fund), which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2020, Hamblen County and the discretely presented Hamblen County School Department reported encumbrances in the following budgeted funds:

<u>Funds</u>	<u>Amount</u>
Primary Government	
Major Fund:	
General	\$ 32,500
Nonmajor Funds:	
Highway/Public Works	244,464
Highway Capital Projects	34,550
School Department:	
Major Funds:	
General Purpose School	1,627,690
Central Cafeteria	640,090

B. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations in the General Debt Service Fund by \$36,291. Expenditures that exceed appropriations are a violation of state law. These expenditures in excess of appropriations were funded by available fund balance in the General Debt Service Fund.

C. Indictment and Resignation of County Trustee

The Hamblen County Trustee, John Baskette, was indicted by the Hamblen County Grand Jury on August 15, 2019 on 40 counts of Failure to Deposit Public Funds, two counts of Official Misconduct, one count of Destruction of Government Records, one count of Theft over \$60,000, and one count of Worthless Check over \$1,000. The indictments were the results an investigation performed by the Office of the Comptroller of the Treasury, Division of Investigations and the Tennessee Bureau of Investigations. An investigative report was issued by the Comptroller of the Treasury, Division of Investigations on August 16, 2019. The report reflected two findings. The investigative report can be found at www.comptroller.tn.gov. Mr. Baskette resigned as Hamblen County Trustee effective September 13, 2019. On October 21, 2019, he plead guilty to three misdemeanors: official misconduct, attempted theft over \$1,000, and destruction of government records. He was sentenced to three years of supervised probation.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of 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 county.

Investments

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

Investment Balances. As of June 30, 2020, Hamblen County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Hamblen

County and the discretely presented Hamblen County School Department since both pool their deposits and investments through the county trustee.

Investments	Weighted Average Maturity (days)	Amortized Cost
Investments at Amortized Cost:		
State Treasurer's Investment Pool	1 to 105	\$ 18,771,763

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Hamblen County has a formal investment policy with the same requirements as state statutes for limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Hamblen County has an investment policy that limits its investment choices to those authorized by state statute, with safety, liquidity, and yield being priorities specified by the policy. As of June 30, 2020, Hamblen County's investment in the State Treasurer's Investment Pool was unrated.

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

TCRS Stabilization Trust

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

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Hamblen County 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.

At June 30, 2020, the Hamblen County 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	\$ 125,722
Developed Market International Equity	N/A	N/A	56,778
Emerging Market International Equity	N/A	N/A	16,222
U.S. Fixed Income	N/A	N/A	81,111
Real Estate	N/A	N/A	40,556
Short-term Securities	N/A	N/A	4,056
NAV - Private Equity and Strategic Lending	N/A	N/A	81,111
 Total			\$ 405,556

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	\$ 125,722	\$ 125,722	\$ 0	\$ 0	0	
Developed Market International Equity	56,778	56,778	0	0	0	
Emerging Market International Equity	16,222	16,222	0	0	0	
U.S. Fixed Income	81,111	0	81,111	0	0	
Real Estate	40,556	0	0	40,556	0	
Short-term Securities	4,056	0	4,056	0	0	
Private Equity and Strategic Lending	81,111	0	0	0	81,111	
Total	\$ 405,556	\$ 198,722	\$ 85,167	\$ 40,556	\$ 81,111	

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 Hamblen County 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 Hamblen County 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 county’s investment in a single issuer. Hamblen County School Department places no limit on the amount the county 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 county 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 Hamblen County 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. Derivative Instruments

Primary Government

At June 30, 2020, Hamblen County had the following derivative instrument outstanding:

<u>Instrument</u>	<u>Type</u>	<u>Objective</u>	<u>Original Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>
\$10M Swap - B	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	\$10,000,000	5-7-13	6-1-25	Pay 4.39% receive 63.4% of 5-year LIBOR

The fair value balance and notional amount of derivative instruments outstanding during the year ended June 30, 2020, classified by type, and the change in fair value using a pay fixed, receive a percentage of LIBOR pricing model (Level 2 inputs of the GAAP fair value hierarchy) of such derivative

instruments for the year then ended as reported in the 2020 financial statements are as follows:

Type	Changes in Fair Value		Fair Value at June 30, 2020		6-30-20 Notional Amount
	Classification	Amount	Classi- fication	Amount	
Governmental Activities					
Pay-fixed interest rate swap:					
\$10M Hybrid Swap B:					\$10,000,000
Cash Flow Hedge Portion	Deferred				
	Outflow	\$ (161,334)	Debt	\$ (381,785)	
Non-hedge Portion	Investment				
	Earnings	216,950	Debt	(684,979)	
Total \$10M Hybrid Swap B		<u>\$ 55,616</u>		<u>\$ (1,066,764)</u>	

In prior years, Hamblen County amended its variable rate debt instrument associated with this swap agreement. As a result, the county has recognized a termination of the original hedging relationship and a recognized new hedging relationship between the swap agreement and the amended debt instrument. Investment earnings or losses have been recognized for the portion of the swap's value that is not attributable to the current hedge relationship. Changes in the portion of the swap's fair value that is attributable to the current hedging relationship is deferred since it meets effectiveness criteria of Governmental Accounting Standards Board Statement No. 53.

Derivative Swap Agreement Detail

10M Swap (B)

Under its loan agreement, the Public Building Authority of Blount County, Tennessee, at the request of the county, has entered into an interest rate swap agreement for all of the outstanding Local Government Improvement Bonds, Series A-2-B.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its Series A-2-B variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate. The Series A-2-B bonds have since been refunded with a portion of the proceeds of the Series E-4-A bonds, and the interest rate swap is now associated with the Series E-4-A bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.39 percent and receives a variable payment computed as 63.4 percent of the five-year London Interbank Offered Rate (LIBOR). The

bonds hedged by the interest rate swap agreement had an original outstanding principal amount of \$10 million. The interest rate swap agreement will not exceed the outstanding principal amount on the associated hedged bonds. The bonds' variable rates have historically approximated the Securities Industry and Financial Markets Association™ (SIFMA). The bonds and the related swap agreement mature on June 1, 2025. As of June 30, 2020, rates were as follows:

	<u>Terms</u>	<u>Rates</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.390 %
Variable payment from counterparty		<u>(0.207)</u>
Net interest rate swap payments		4.183
Variable-rate bond coupon payments		<u>0.561</u>
Synthetic interest rate on bonds		<u><u>4.744 %</u></u>

Fair value. As of June 30, 2020, the swap had a negative fair value of \$1,066,764. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2020, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, Raymond James Financial Products, was rated Baa1/BBB+ by Moody's and Standard and Poor's as of June 30, 2020, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should the bond rate increase to above 63.4 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate being below 63.4 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The swap contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an additional termination provision. The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of

termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

Swap payments and associated debt. As of June 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap Payment	Total
	Principal	Interest		
2021	\$ 1,530,000	\$ 47,950	\$ 357,663	\$ 1,935,613
2022	1,615,000	39,369	293,660	1,948,029
2023	1,705,000	30,312	226,101	1,961,413
2024	1,800,000	20,750	154,778	1,975,528
2025	1,900,000	10,656	79,481	1,990,137
Total	<u>\$ 8,550,000</u>	<u>\$ 149,037</u>	<u>\$ 1,111,683</u>	<u>\$ 9,810,720</u>

C. 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	\$ 763,153	\$ 970,665	\$ 0	\$ 1,733,818
Construction in Progress	649,922	661,386	(266,126)	1,045,182
Total Capital Assets Not Depreciated	<u>\$ 1,413,075</u>	<u>\$ 1,632,051</u>	<u>\$ (266,126)</u>	<u>\$ 2,779,000</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,776,143	\$ 356,126	\$ 0	\$ 12,132,269
Infrastructure	17,063,224	0	0	17,063,224
Other Capital Assets	8,457,390	1,056,241	(90,610)	9,423,021
Total Capital Assets Depreciated	<u>\$ 37,296,757</u>	<u>\$ 1,412,367</u>	<u>\$ (90,610)</u>	<u>\$ 38,618,514</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,821,780	\$ 280,039	\$ 0	\$ 6,101,819
Infrastructure	7,155,841	170,775	0	7,326,616
Other Capital Assets	6,875,192	656,199	(47,210)	7,484,181
Total Accumulated Depreciation	<u>\$ 19,852,813</u>	<u>\$ 1,107,013</u>	<u>\$ (47,210)</u>	<u>\$ 20,912,616</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,443,944</u>	<u>\$ 305,354</u>	<u>\$ (43,400)</u>	<u>\$ 17,705,898</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,857,019</u>	<u>\$ 1,937,405</u>	<u>\$ (309,526)</u>	<u>\$ 20,484,898</u>

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

Governmental Activities:

General Government	\$ 87,960
Finance	7,225
Administration of Justice	110,306
Public Safety	308,695
Public Health and Welfare	167,208
Social, Cultural, and Recreational Services	58,269
Highways/Public Works	<u>367,350</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,107,013</u>

Discretely Presented Hamblen County School Department

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Reclass- ification	Balance 6-30-20
Capital Assets Not Depreciated:					
Land	\$ 4,352,963	\$ 130,689	\$ 0	\$ 0	\$ 4,483,652
Construction in Progress	770,545	3,183,235	(770,545)	0	3,183,235
Total Capital Assets Not Depreciated	\$ 5,123,508	\$ 3,313,924	\$ (770,545)	\$ 0	\$ 7,666,887
Capital Assets Depreciated:					
Buildings and Improvements	\$ 143,385,403	\$ 845,886	\$ 0	\$ (1,146,567)	\$ 143,084,722
Other Capital Assets	23,482,003	2,232,207	(42,457)	1,146,567	26,818,320
Total Capital Assets Depreciated	\$ 166,867,406	\$ 3,078,093	\$ (42,457)	\$ 0	\$ 169,903,042
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 103,848,039	\$ 2,070,970	\$ 0	\$ (287,987)	\$ 105,631,022
Other Capital Assets	13,948,920	1,576,516	(34,548)	287,987	15,778,875
Total Accumulated Depreciation	\$ 117,796,959	\$ 3,647,486	\$ (34,548)	\$ 0	\$ 121,409,897
Total Capital Assets Depreciated, Net	\$ 49,070,447	\$ (569,393)	\$ (7,909)	\$ 0	\$ 48,493,145
Governmental Activities Capital Assets, Net	\$ 54,193,955	\$ 2,744,531	\$ (778,454)	\$ 0	\$ 56,160,032

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

Governmental Activities:

Instruction	\$ 33,600
Support Services	3,396,692
Operation of Non-instructional Services	<u>217,194</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,647,486</u>

D. Construction Commitments

At June 30, 2020, the General Purpose School Fund of the discretely presented school department had uncompleted construction contracts of approximately

\$295,508 for building improvement projects. The Education Capital Projects fund of the discretely presented school department had uncompleted construction contracts of approximately \$6,504,791 for building improvement projects. Funding for these future expenditures has been received.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 71,199
Employee Insurance - General	General	395,375
"	Nonmajor governmental	96,536
Nonmajor governmental	General	700
Discretely Presented School Department:		
General Purpose School	Central Cafeteria	294,327

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
Education Capital Projects	Other Capital Projects	\$ 9,583,204

This balance represents proceeds of bonds issued by the primary government and contributed to the school department.

Interfund Transfers:

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

Primary Government

Transfer Out	<u>Transfer In</u> Nonmajor Governmental Funds	Purpose
Other Capital Projects Fund	\$ 157,499	Capital Outlay Expenditures

Discretely Presented Hamblen County School Department:

Transfers Out	<u>Transfers In</u> General Purpose School Fund	Purpose
School Federal Projects Fund	\$ 61,370	Indirect Cost
Central Cafeteria Fund	<u>294,327</u>	Indirect Cost
Total	<u>\$ 355,697</u>	

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

F. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds – Hamblen County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 29 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Hamblen County 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, other loans were issued to refund other debt. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds 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
General Obligation Bonds	1.446-5 %	6-1-49	\$ 25,195,000	\$ 21,590,000
Direct Borrowing and Direct Placement:				
Other Loans - Qualified School				
Construction Bonds	1.515	7-1-26	11,280,000	4,358,769
Other Loans - Refunding	Variable	6-1-25	10,100,000	8,630,000

Qualified School Construction Bonds were issued through the Tennessee State School Bond Authority, and the proceeds were loaned to Hamblen County and various other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee to the state. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

Hamblen County has entered into a loan agreement with the Blount County Public Building Authority (PBA). The loan agreement provides for the PBA to make funds available for loan to Hamblen County on an as needed basis to finance various projects for the county and the discretely presented school department. Hamblen County has drawn the entire amount available under the agreement. In addition to interest, the county pays various other fees (trustee, administrative, reporting, etc.) in connection with the variable rate loan.

The following table summarizes the loan agreement outstanding at June 30, 2020, including the interest rate and other loan fees:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-20	Interest Type	Interest Rates as of 6-30-20	Other Fees on Variable Rate Debt
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Blount County Public

Building Authority

Refunding

(Series E-4-A) \$ 10,100,000 \$ 8,630,000 Variable (1) 4.744 % 0.29 %

(1) An interest rate swap agreement is associated with this loan. See Note IV.B., Derivative Instruments, for details of this swap agreement. The interest rate shown is the synthetic rate established from the swap agreement.

The annual requirements to amortize all general obligation bonds 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	Bonds		
	Principal	Interest	Total
2021	\$ 630,000	\$ 662,200	\$ 1,292,200
2022	745,000	652,120	1,397,120
2023	1,060,000	635,187	1,695,187
2024	740,000	591,787	1,331,787
2025	740,000	554,787	1,294,787
2026-2030	3,700,000	2,218,938	5,918,938
2031-2035	3,685,000	1,515,320	5,200,320
2036-2040	3,675,000	1,110,769	4,785,769
2041-2045	3,675,000	661,500	4,336,500
2046-2049	2,940,000	192,937	3,132,937
Total	\$ 21,590,000	\$ 8,795,545	\$ 30,385,545

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest (*)	Other Fees	Total
2021	\$ 2,253,854	\$ 580,299	\$ 25,351	\$ 2,859,504
2022	2,333,854	506,767	20,798	2,861,419
2023	2,423,854	429,440	16,010	2,869,304
2024	2,518,854	347,843	10,957	2,877,654
2025	2,618,854	261,740	5,625	2,886,219
2026-2027	839,499	185,133	0	1,024,632
Total	\$ 12,988,769	\$ 2,311,222	\$ 78,741	\$ 15,378,732

*Includes estimated swap payments. See Note IV.B. Derivative Investments.

There is \$6,454,942 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$345, based on the 2010 federal census. Total debt per capita, including bonds, other loans, and unamortized premium on debt, totaled \$574, based on the 2010 federal census.

Changes in Long-term Debt

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

Governmental Activities:	Bonds	Other Loans - Direct Placement
	<u> </u>	<u> </u>
Balance, July 1, 2019	\$ 2,210,000	\$ 15,162,623
Additions	19,995,000	0
Reductions	<u>(615,000)</u>	<u>(2,173,854)</u>
Balance, June 30, 2020	<u>\$ 21,590,000</u>	<u>\$ 12,988,769</u>
Balance Due Within One Year	<u>\$ 630,000</u>	<u>\$ 2,253,854</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 34,578,769
Less: Balance Due Within One Year-Debt	(2,883,854)
Add: Unamortized Premium on Debt	<u>1,301,137</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 32,996,052</u>

G. Long-term Obligations

Changes in Long-term Obligations

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

	Other Postemployment Benefits
Balance, July 1, 2019	\$ 794,008
Additions	74,919
Reductions	(426,724)
Balance, June 30, 2020	<u>\$ 442,203</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds.

Discretely Presented Hamblen County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Hamblen County School Department for the year ended June 30, 2020, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2019	\$ 24,185,317	\$ 236,879
Additions	2,069,781	241,026
Reductions	(11,571,109)	(236,879)
Balance, June 30, 2020	<u>\$ 14,683,989</u>	<u>\$ 241,026</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 241,026</u>

	Retirement Incentive	Retirement Honorarium
Balance, July 1, 2019	\$ 140,482	\$ 920,300
Additions	22,607	73,385
Reductions	(76,432)	(48,954)
Balance, June 30, 2020	<u>\$ 86,657</u>	<u>\$ 944,731</u>
Balance Due Within One Year	<u>\$ 56,516</u>	<u>\$ 37,215</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 15,956,403
Less: Balance Due Within One Year - Other	<u>(334,757)</u>
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u>\$ 15,621,646</u>

In addition to the obligations noted above, the Board of Education appropriates available school funds to be contributed to the primary government each year to help retire school debt, which is being paid from the county's General Debt Service Fund. During the year ended June 30, 2020, the school department contributed \$500,000 to the primary government for this purpose.

Long-term liabilities of the school department will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

H. On-Behalf Payments

Discretely Presented Hamblen County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hamblen County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Education Group Insurance Plan and the Medicare Supplement Plan Local for the year ended June 30, 2020, were \$367,028 and \$145,360, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Hamblen County issued an interfund capital outlay note from the General Debt Service Fund in advance of bond proceeds and deposited the proceeds of the note in the General Capital Projects Fund. This note was necessary because funds were not available to meet obligations of the Jail Construction Project. The loan was repaid upon receipt of the bond proceeds before the end of the fiscal year. Short-term debt activity for the year ended June 30, 2020, was as follows:

	Balance 7-1-19	Issued	Paid	Balance 6-30-20
Interfund Capital Outlay Note	\$ 0	\$ 1,500,000	\$ (1,500,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

It is the policy of Hamblen County and the discretely presented Hamblen County School Department to purchase commercial insurance for the risks of losses to which they are exposed for general liability, property, casualty, and workers' compensation. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The county elected to self-insure employee health and accident claims. The Employee Insurance – General Fund was established for risks associated with the employees' health insurance plan. The Employee Insurance – General Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$100,000 per claimant in a single year and approximately \$3,500,884 for all claims in any plan year. Stop/loss commercial insurance has been obtained to cover claims beyond these limits. Group dental and vision insurance premiums paid to a private insurance company are also recorded in this fund as are the costs associated with a health clinic.

All full-time employees of the primary government are eligible to participate. A premium is allocated to each fund that accounts for full-time employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$1,493,030 at June 30, 2020, and is reported as net position of the Employee Insurance – General Fund. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The Employee Insurance – General Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance - General Fund

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Estimates	<u>Payments</u>	Balance at Fiscal Year-end
2018-2019	\$ 77,733	\$ 2,259,204	\$ (2,235,855)	\$ 101,082
2019-2020	101,082	2,012,712	(1,997,805)	115,989

Current year claims and estimates are presented net of stop-loss recoveries of \$21,194 and contracted prescription drug rebates of \$139,042.

The discretely presented Hamblen County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (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 county is involved in pending litigation. Based on letters from attorneys, management believes that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

C. Change in Administration

Trustee John Baskette resigned September 13, 2019, and on October 21, 2019, plead guilty to charges involving operation of the Office of Hamblen County Trustee. The county commission appointed Scotty Long as county trustee effective September 23, 2019.

D. Joint Ventures

Primary Government

The Third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Third Judicial District, Greene, Hamblen, Hancock, and Hawkins 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. Hamblen County made no contributions to the DTF for the year ended June 30, 2020.

The Hamblen County-Morristown Solid Waste Disposal System is a joint venture that is operated by Hamblen County and the City of Morristown. The board of directors of the system is comprised of eight members, three appointed by the Hamblen County Commission and three appointed by the Morristown City Council. The county mayor and city mayor appoint one member each. The board has control, supervision, management, and use of the landfills. Further, any and all real estate purchases are to be titled in the name of the City of Morristown and Hamblen County, each owning an undivided one-half interest, and each having agreed to equally finance the costs of such acquisitions. The board is required to submit its annual budget to the Hamblen County Commission and the Morristown City Council for approval.

The Morristown-Hamblen Library is a joint venture between two equal participants, Hamblen County and the City of Morristown. The library was created to provide public library service to the general public. The board of directors consists of nine members; four appointed by the Hamblen County Commission, three appointed by the Morristown City Council, and two members from the regional library board. Hamblen County has indirect control of the budget through the amount of annual appropriations. The library's operating budget is adopted and controlled by its board without requiring approval of the Hamblen County Commission and the Morristown City Council.

Hamblen County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Third Judicial District Drug Task Force, Hamblen County-Morristown Solid Waste Disposal System, and Morristown-Hamblen Library can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Third Judicial District Drug Task Force
109 South Main Street, Suite 501
Greeneville, TN 37743

Hamblen County-Morristown Solid
Waste Disposal System
P.O. Box 2108
Morristown, TN 37816

Morristown-Hamblen Library
417 West Main Street
Morristown, TN 37814

Discretely Presented School Department

The discretely presented school department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a contractual agreement between the Boards of Education of Hamblen County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated* and was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee.

Complete financial statements for NETCO can be obtained from its administrative office at the following address:

Administrative Office:

Northeast Tennessee Cooperative
100 East Maple Street
P.O. Box 1517
Johnson City, TN 37605

E. Jointly Governed Organization

The East Tennessee Regional AgriBusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center and to further the economy and growth of the region served by the authority by developing, marketing, and promoting facilities for warehousing, distribution, light manufacturing, and agribusiness purposes. The authority is governed by a board of directors consisting of the county mayors of each county or the county mayor's designee and one nonvoting member representing each of the following: the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee consisting of the chairman, vice chairman, secretary, and treasurer of the board of directors, along with the center's manager as an ex officio member, is in charge of the daily operations of the center.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Hamblen County and non-certified employees of the discretely presented Hamblen County 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 48.91 percent, the non-certified employees of the discretely presented school department comprise 51.09 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.

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:

Inactive Employees or Beneficiaries Currently Receiving Benefits	439
Inactive Employees Entitled to But Not Yet Receiving Benefits	640
Active Employees	648
Total	1,727

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Hamblen County elected to make employer contributions at a rate higher than 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 Hamblen County was \$1,552,062 based on a rate of 7 percent of covered payroll for general employees and 10.5 percent of covered payroll for public safety officers. The minimum rate set by the Board of Trustees as determined by an actuarial valuation was 6.06 percent for general employees and 9.56 percent for public safety officers. By law, employer contributions are required to be paid. The TCRS may intercept Hamblen County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 68,361,492	\$ 69,977,335	\$ (1,615,843)
Changes for the Year:			
Service Cost	\$ 1,866,188	\$ 0	\$ 1,866,188
Interest	4,974,303	0	4,974,303
Differences Between Expected and Actual Experience	360,952	0	360,952
Contributions-Employer	0	1,920,593	(1,920,593)
Contributions-Employees	0	1,023,555	(1,023,555)
Net Investment Income	0	5,197,556	(5,197,556)
Benefit Payments, Including Refunds of Employee Contributions	(3,233,218)	(3,233,218)	0
Administrative Expense	0	(58,273)	58,273
Net Changes	<u>\$ 3,968,225</u>	<u>\$ 4,850,213</u>	<u>\$ (881,988)</u>
Balance, June 30, 2019	<u>\$ 72,329,717</u>	<u>\$ 74,827,548</u>	<u>\$ (2,497,831)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	48.91%	\$ 35,376,465	\$ 36,598,154	\$ (1,221,689)
School Department	51.09%	<u>36,953,252</u>	<u>38,229,394</u>	<u>(1,276,142)</u>
Total		<u>\$ 72,329,717</u>	<u>\$ 74,827,548</u>	<u>\$ (2,497,831)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Hamblen County 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 6,606,528	\$ (2,497,831)	\$ (10,082,735)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2020, Hamblen County recognized pension expense of \$1,366,839.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 512,528	\$ 383,718
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	858,678
Changes in Assumptions	627,612	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	1,552,062	N/A
Total	\$ 2,692,202	\$ 1,242,396

(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.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,326,956	\$ 607,655
School Department	1,365,246	634,741
Total	<u>\$ 2,692,202</u>	<u>\$ 1,242,396</u>

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

Year Ending June 30	Amount
2021	\$ 285,061
2022	(227,043)
2023	(205,107)
2024	44,832
2025	0
Thereafter	0

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

Discretely Presented Hamblen County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Hamblen County and non-certified employees of the discretely presented Hamblen County 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 48.91 percent and the non-certified employees of the discretely presented school department comprise 51.09 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hamblen County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at 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 \$211,240, which is 2.01 percent of covered payroll. In addition, employer contributions of \$202,078, 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 (\$477,808) 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 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 .846447 percent. The proportion as of June 30, 2018, was .795997 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$148,866.

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	\$ 19,812	\$ 83,412
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	20,201
Changes in Assumptions	16,601	0
Changes in Proportion of Net Pension Liability (Asset)	7,815	21,279
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	211,240	N/A
Total	<u>\$ 255,468</u>	<u>\$ 124,892</u>

The school department's employer contributions of \$211,240, 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
2021	\$ (11,214)
2022	(14,305)
2023	(8,638)
2024	(5,749)
2025	(4,926)
Thereafter	(35,830)

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 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 Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 151,388 \$ (477,808) \$ (942,900)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Hamblen County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at 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 Hamblen County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$3,592,593, which is 10.62 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 (\$10,498,202) 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 1.021047 percent. The proportion measured at June 30, 2018, was .972519 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$1,491,267.

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	\$ 511,131	\$ 6,412,510
Changes in Assumptions	1,414,687	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,999,538
Changes in Proportion of Net Pension Liability (Asset)	215,128	46,151
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>3,592,593</u>	N/A
Total	<u>\$ 5,733,539</u>	<u>\$ 9,458,199</u>

The school department's employer contributions of \$3,592,593 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in 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
2021	\$ (2,051,813)
2022	(2,930,620)
2023	(1,331,303)
2024	(1,003,519)
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 Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset) \$	21,465,790 \$	(10,498,202) \$	(35,924,671)

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

2. **Deferred Compensation**

Primary Government

Hamblen County offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 established participation, contribution, and withdrawal provisions for the plan.

Discretely Presented Hamblen County School Department

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 a minimum of 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 \$517,990 and teachers contributed \$399,449 to this deferred compensation pension plan.

G. **Other Postemployment Benefits (OPEB)**

Hamblen County and the discretely presented Hamblen County School Department provide OPEB benefits to their retirees under various plans, these include OPEB provided through a self-insured plan for the primary government and through state administered public entity risk pools for both the primary government and the discretely presented school department. 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 Self-Insured Health Plan (Primary Government)

Plan Description. Hamblen County participates in a self-insured postemployment benefits plan administered by BlueCross BlueShield for its retirees. Benefits are established and amended by the county commission. Eligible employees must be age 60 or have 30 years of service. Emergency personnel are eligible at age 55 or with 25 years of service. Eligible retirees may remain on the county health plan until attainment of age 65 when they become eligible for Medicare. Dependent coverage is not provided.

Benefits Provided. The plan provides healthcare benefits to eligible retirees. The benefit terms provide for retirees to pay 100 percent of their medical insurance premium.

Employees Covered by Benefit Terms

At January 1, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	4
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	244
Total	248

Total OPEB Liability

The plan’s total OPEB liability of \$108,292 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to the measurement date.

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

Salary Increases	3.50%
Payroll Growth Rate	2.50%
Discount Rate	2.21%
Healthcare Cost Trend Rates	8% for 2019 decreasing to 5% by 2022
Retirees share of Health Premiums	100%

The discount rate was based on the Bond Buyer's 20 Bond Index as of June 30, 2020.

Mortality rates were based on RPH-2014 Total Dataset fully generational projected table with projection scale MP-2019.

The actuarial assumptions used in the valuation were based on plan data and costs presented by the county with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	\$ 132,654
Changes for the Year:	
Service Cost	\$ 6,194
Interest	3,551
Difference between Expected and Actuarial Experience	(34,147)
Changes in Assumption and Other Inputs	8,235
Benefit Payments	<u>(8,195)</u>
Net Changes	<u>\$ (24,362)</u>
Balance June 30, 2020	<u><u>\$ 108,292</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized OPEB expense of \$2,084. At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 23,768
Changes of Assumptions/Inputs	6,960	292
Net Difference Between Projected and Actual Investments	<u>0</u>	<u>0</u>
Total	<u>\$ 6,960</u>	<u>\$ 24,060</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2021	\$ (7,271)
2022	(7,545)
2023	(2,284)
2024	0
2025	0
Thereafter	0

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 Hamblen County calculated using the current discount rate, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 114,270	\$ 108,292	\$ 102,505

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county

calculated using the current healthcare cost trend rate as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>	1% Decrease (6% decreasing to 4%)	Current Trend Rate (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Total OPEB Liability	\$ 98,683	\$ 108,292	\$ 119,731

OPEB Provided through State Administered Public Entity Risk Pools

Post-65 retirees of Hamblen County primary government may join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Employees of the school department may then join the Tennessee Plan - Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The county and school department’s total OPEB liability for each 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	LEP - Based on the Getzen Model, with trend starting at 6.03% for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10-year period to an ultimate trend rate of 4.5 percent.
	TNMs- The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
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 by 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 2020 plan year was revised from 6.75 percent to 6.03 percent.

Closed Tennessee Plan – Medicare (Primary Government)

Plan description. Employees of Hamblen County who were hired prior to July 1, 2015, 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 Hamblen County Primary 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 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 receive 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. Hamblen County provides a direct monthly subsidy of between \$25 and \$37.50 for eligible retirees depending on 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	21
Inactive Employees Entitled to But Not Yet Receiving Benefits	7
Active Employees	190
Total	<u>218</u>

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 county paid \$4,570 for OPEB benefits as they came due.

Changes in the Total OPEB Liability

Balance July 1, 2018	\$ 661,354
Changes for the Year:	
Service Cost	24,217
Interest	24,721
Difference between Expected and Actual Experience	(378,994)
Changes in Assumptions and Other Inputs	8,001
Benefit Payments	<u>(5,388)</u>
Net Changes	<u>\$ (327,443)</u>
Balance June 30, 2019	<u>\$ 333,911</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized negative OPEB expense of \$34,054. At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 474,020
Changes of Assumptions/Inputs	7,001	65,764
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2019	<u>4,570</u>	<u>0</u>
Total	<u>\$ 11,571</u>	<u>\$ 539,784</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	Amount
2021	\$ (82,992)
2022	(82,992)
2023	(82,992)
2024	(82,992)
2025	(82,992)
Thereafter	(117,823)

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

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

<u>Discount Rate</u>	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Total OPEB Liability	\$ 390,060	\$ 333,911	\$ 287,953

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

Benefits Provided. The Hamblen County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school department provides a direct subsidy ranging from \$250 to \$667 per month toward the cost of insurance for noncertified retirees based on coverage selected. The school department provides a direct subsidy ranging from \$250 to \$667 per month toward the cost of insurance for certified retirees based on years of service and insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible certified 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:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	112
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees	867
Total	<u><u>980</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$726,581 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Hamblen County School Department</u>	<u>State of TN</u>	<u>Total OPEB Liability</u>
	72.6865%	27.3135%	
Balance July 1, 2018	\$ 23,709,972	\$ 7,028,268	\$ 30,738,240
Changes for the Year:			
Service Cost	\$ 1,208,710	\$ 454,198	\$ 1,662,908
Interest	831,630	312,503	1,144,133
Changes in Benefit Terms	(3,403,018)	(1,278,757)	(4,681,775)
Difference between Expected and Actuarial Experience	(4,459,083)	(1,675,596)	(6,134,679)
Changes in Proportion	(1,367,421)	1,367,421	0
Changes in Assumption and Other Inputs	(1,094,738)	(411,371)	(1,506,109)
Benefit Payments	(1,166,462)	(438,323)	(1,604,785)
Net Changes	<u>\$ (9,450,382)</u>	<u>\$ (1,669,925)</u>	<u>\$ (11,120,307)</u>
Balance June 30, 2019	<u>\$ 14,259,590</u>	<u>\$ 5,358,343</u>	<u>\$ 19,617,933</u>

The Hamblen County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the LEP. The Hamblen County School Department's

proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of subsidy is equal to the nonemployer share of collective OPEB expenses. During the year, collective OPEB expenses for Hamblen County School employees was negative. Consequently, Hamblen County School Department has recorded the negative collective OPEB expense (\$3,215,764) and recorded negative operating grants and contributions revenue (\$653,408) for the nonemployer share of collective OPEB expense.

During the year, the Hamblen County School Department's proportionate share of the collective OPEB liability was 72.6865 percent and the State of Tennessee's share was 27.3135 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized negative OPEB expense of \$3,215,764, which includes expenses funded by nonemployer contributing entities. 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	\$ 0	\$ 6,242,477
Changes of Assumptions/Inputs	395,425	1,783,995
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	0	1,793,428
Benefits Paid After the Measurement Date of June 30, 2019	<u>726,581</u>	<u>0</u>
Total	<u>\$ 1,122,006</u>	<u>\$ 9,819,900</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>School</u> <u>Department</u>
2021	\$ (1,199,677)
2022	(1,199,677)
2023	(1,199,677)
2024	(1,199,677)
2025	(1,199,677)
Thereafter	(3,426,089)

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

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

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

Proportionate Share of the Collective Total OPEB Liability	\$ 15,320,311	\$ 14,259,590	\$ 13,262,095
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Healthcare Cost Trend Rate

	1% Decrease	Curent 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 \$ 12,826,028 \$ 14,259,590 \$ 15,946,286

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Hamblen County School Department, who were hired prior to July 1, 2015, 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 education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department's total OPEB liability for the TNM Plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers, noncertified employees, and disabled participants of local education agencies. 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 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 Hamblen County School Department provided a direct monthly subsidy for retired certified employees of \$50 for retirees with 30 or more years of service, \$37.50 for retirees with 20-29 years of service, and \$25 for eligible retirees with less than 20 years of service. The state, as a governmental nonemployer contributing entity contributes to the premiums of certain eligible retirees (teachers) of local education agencies based on years of service. The State of Tennessee provided a direct subsidy of \$50 for eligible retirees (teachers) 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:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	260
Inactive Employees Entitled to But Not Yet Receiving Benefits	120
Active Employees	<u>936</u>
Total	<u><u>1,316</u></u>

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 school department paid \$2,424 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Hamblen County School Department 12.1776%</u>	<u>State of TN 87.8224%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 475,345	\$ 2,916,805	\$ 3,392,150
Changes for the Year:			
Service Cost	\$ 8,184	\$ 59,021	\$ 67,205
Interest	14,926	107,646	122,572
Difference between Expected and Actuarial Experience	816	5,888	6,704
Changes in Proportion	(62,263)	62,263	0
Changes in Assumption and Other Inputs	5,423	39,106	44,529
Benefit Payments	(18,032)	(130,043)	(148,075)
Net Changes	<u>\$ (50,946)</u>	<u>\$ 143,881</u>	<u>\$ 92,935</u>
Balance June 30, 2019	<u>\$ 424,399</u>	<u>\$ 3,060,686</u>	<u>\$ 3,485,085</u>

The Hamblen County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNM. The Hamblen County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$471,769 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Hamblen County School Department's proportionate share of the collective OPEB liability for the TNM plan was 12.1776 percent and the State of Tennessee's share was 87.8224 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 \$67,480, which includes expenses funded by nonemployer contributing entities.

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	\$ 712	\$ 32,155
Changes of Assumptions/Inputs	4,732	56,008
Changes in Proportions	0	2,281,725
Benefits Paid After the Measurement Date of June 30, 2019	<u>2,424</u>	<u>0</u>
Total	<u>\$ 7,868</u>	<u>\$ 2,369,888</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 June 30</u>	<u>School Department</u>
2021	\$ (427,399)
2022	(427,399)
2023	(427,399)
2024	(427,399)
2025	(427,399)
Thereafter	(227,450)

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 TNM, 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 1-percentage-point lower or 1-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	\$ 486,455	\$ 424,399	\$ 373,562
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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.

H. Termination Benefits

The discretely presented Hamblen County School Department offers a voluntary termination benefits plan to its certified employees in accordance with contract provisions. To be eligible, employees must retire in the school year that they become 60 years of age or obtain 30 years of creditable service in the Tennessee Consolidated Retirement System, whichever comes first. Under the terms of the plan, employees can select between receiving \$4,500 for two years or \$3,500 for three years. During the 2019-20 year, 15 employees participated in the program. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$86,657. Of that amount, \$56,516 is due within one year. The governmental funds' financial statements reflect retirement incentive expenditures of \$76,432 in the General Purpose School Fund.

In addition to the previously mentioned retirement incentive, the discretely presented Hamblen County School Department also offers an additional retirement honorarium payment. To be eligible, certified employees must retire with at least ten years of service. Under the terms of the plan, employees receive \$100 for each year of service with Hamblen County and/or the former Morristown City School System. As of June 30, 2020, 452 employees met the requirements of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$944,731. Of that amount, \$37,215 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of \$48,954 in the General Purpose School Fund.

I. Central Accounting and Budgeting

Office of Director of Finance

The Hamblen County Finance Department was established by an agreement between the county mayor and the county commission. This agreement

provides for a finance director who is responsible for maintaining records for funds administered by the county mayor and the highway superintendent.

J. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Section 5-14-201, et seq., *Tennessee Code Annotated (TCA)*. This act provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Highway Superintendent

Chapter 313 of the Private Acts of 1949, as amended, and Section 54-7-113, *TCA* (Uniform Road Law), govern purchasing procedures for the road department. These statutes require 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 discretely presented Hamblen County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000. However, the Board of Education has adopted a more restrictive policy that requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$5,000.

K. Subsequent Events

On July 20, 2020, Hamblen County entered into an agreement with Appalachian Electric Revolving Loan fund to borrow \$360,000 to fund the design fees for the Justice Center Project.

Subsequent to June 30, 2020, Hamblen County approved to issue a three year \$300,000 Interfund Capital Outlay Note Series 2021 between the General Debt Service Fund and the General Capital Project Fund. The note will provide for payment of costs for various safety projects for Hamblen County Schools. As of the date of this report, the Capital Outlay Note Series 2021 has not been issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 1,447,547	\$ 1,541,726	\$ 1,579,621	\$ 1,680,721	\$ 1,809,951	\$ 1,866,188
Interest	3,977,841	4,157,957	4,300,049	4,518,128	4,762,478	4,974,303
Differences Between Actual and Expected Experience	(439,779)	(1,125,375)	(209,832)	559,415	(569,584)	360,952
Changes in Assumptions	0	0	0	1,569,030	0	0
Benefit Payments, Including Refunds of Employee Contributions	(2,671,318)	(2,685,162)	(2,750,139)	(2,976,277)	(3,041,500)	(3,233,218)
Net Change in Total Pension Liability	\$ 2,314,291	\$ 1,889,146	\$ 2,919,699	\$ 5,351,017	\$ 2,961,345	\$ 3,968,225
Total Pension Liability, Beginning	52,925,994	55,240,285	57,129,431	60,049,130	65,400,147	68,361,492
Total Pension Liability, Ending (a)	\$ 55,240,285	\$ 57,129,431	\$ 60,049,130	\$ 65,400,147	\$ 68,361,492	\$ 72,329,717
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,550,676	\$ 1,572,279	\$ 1,662,880	\$ 1,774,445	\$ 1,852,370	\$ 1,920,593
Contributions - Employee	834,365	845,362	894,033	957,457	987,598	1,023,555
Net Investment Income	7,971,541	1,715,800	1,516,080	6,618,126	5,373,466	5,197,556
Benefit Payments, Including Refunds of Employee Contributions	(2,671,318)	(2,685,162)	(2,750,139)	(2,976,277)	(3,041,500)	(3,233,218)
Administrative Expense	(24,175)	(32,024)	(48,287)	(55,833)	(62,645)	(58,273)
Other	0	0	4,872	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 7,661,089	\$ 1,416,255	\$ 1,279,439	\$ 6,317,918	\$ 5,109,289	\$ 4,850,213
Plan Fiduciary Net Position, Beginning	48,193,345	55,854,434	57,270,689	58,550,128	64,868,046	69,977,335
Plan Fiduciary Net Position, Ending (b)	\$ 55,854,434	\$ 57,270,689	\$ 58,550,128	\$ 64,868,046	\$ 69,977,335	\$ 74,827,548
Net Pension Liability (Asset), Ending (a - b)	\$ (614,149)	\$ (141,258)	\$ 1,499,002	\$ 532,101	\$ (1,615,843)	\$ (2,497,831)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.11%	100.25%	97.50%	99.19%	102.36%	103.45%
Covered Payroll	\$ 16,490,699	\$ 16,906,305	17,876,001	18,974,846	19,751,857	20,446,464
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.72%)	(0.84%)	8.39%	2.80%	(8.18%)	(12.22%)

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

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,550,676	\$ 1,572,279	\$ 1,662,880	\$ 1,774,445	\$ 1,852,370	\$ 1,920,593	\$ 1,356,610
Less Contributions in Relation to the Actuarially Determined Contribution	(1,550,676)	(1,572,279)	(1,662,880)	(1,774,445)	(1,852,370)	(1,920,593)	(1,552,062)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (195,452)
Covered Payroll	\$ 16,490,699	\$ 16,906,305	\$ 17,876,001	\$ 18,974,846	\$ 19,751,857	\$ 20,446,464	\$ 21,330,347
Contributions as a Percentage of Covered Payroll	9.40%	9.30%	9.30%	9.35%	9.38%	9.39%	7.28%

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-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 73,033	\$ 149,797	\$ 213,998	\$ 278,242	\$ 173,768	\$ 211,240
Less Contributions in Relation to the Contractually Required Contribution	(73,033)	(149,797)	(213,998)	(278,242)	(173,768)	(211,240)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,825,848	\$ 3,744,929	\$ 5,261,300	\$ 6,956,052	\$ 8,957,080	\$ 10,526,968
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.05%	4.00%	1.94%	2.01%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 3,207,929	\$ 3,090,554	\$ 3,043,681	\$ 3,087,195	\$ 3,092,144	\$ 3,581,208	\$ 3,592,593
Less Contributions in Relation to the Contractually Required Contribution	(3,207,929)	(3,090,554)	(3,043,681)	(3,087,195)	(3,092,144)	(3,581,208)	(3,592,593)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 36,125,331	\$ 34,187,512	\$ 33,669,025	\$ 34,221,953	\$ 34,054,462	\$ 34,243,795	\$ 33,815,283
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.02%	9.08%	10.46%	10.62%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	0.860622%	0.851112%	0.815121%	0.795997%	0.846447%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (35,352) \$	(88,603) \$	(215,056) \$	(361,007) \$	(477,808)
Covered Payroll	\$ 1,825,848 \$	3,744,929 \$	5,278,396 \$	6,956,052 \$	8,957,080
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.07)%	(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-6

Hamblen County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Hamblen 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	0.920393%	0.913250%	0.932712%	0.966078%	0.972519%	1.021047%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (149,560)	\$ 374,099	\$ 5,828,936	\$ (316,085)	\$ (3,422,212)	\$ (10,498,202)
Covered Payroll	\$ 36,125,331	\$ 34,187,512	\$ 33,669,025	\$ 34,221,953	\$ 34,054,462	\$ 34,243,795
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.92)%	(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.

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

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 8,012	\$ 7,909	\$ 6,194
Interest	4,480	4,976	3,551
Differences Between Actual and Expected Experience	0	0	(34,147)
Changes in Assumptions or Other Inputs	(2,338)	3,022	8,235
Benefit Payments	(5,409)	(7,795)	(8,195)
Net Change in Total OPEB Liability	\$ 4,745	\$ 8,112	\$ (24,362)
Total OPEB Liability, Beginning	119,797	124,542	132,654
Total OPEB Liability, Ending	<u>\$ 124,542</u>	<u>\$ 132,654</u>	<u>\$ 108,292</u>
Covered Employee Payroll	\$ 8,098,137	\$ 8,300,590	\$ 8,080,408
Net OPEB Liability as a Percentage of Covered Employee Payroll	1.54%	1.60%	1.34%

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

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%

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

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 42,176	\$ 36,027	\$ 24,217
Interest	25,339	29,676	24,721
Differences Between Actual and Expected Experience	0	(193,258)	(378,994)
Changes in Assumptions or Other Inputs	(92,045)	(6,439)	8,001
Benefit Payments	(2,550)	(4,438)	(5,388)
Net Change in Total OPEB Liability	\$ (27,080)	\$ (138,432)	\$ (327,443)
Total OPEB Liability, Beginning	826,866	799,786	661,354
Total OPEB Liability, Ending	\$ 799,786	\$ 661,354	\$ 333,911
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%

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

For the 2019 plan year - from 5.4 percent to 6.75 percent.
For the 2020 plan year - from 6.75 percent to 6.03 percent.

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

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 2,191,512	\$ 2,049,205	\$ 1,662,908
Interest	1,056,172	1,282,386	1,144,133
Changes in Benefit Terms	0	(2,454,445)	(4,681,775)
Differences Between Actual and Expected Experience	0	(3,928,886)	(6,134,679)
Changes in Assumptions or Other Inputs	(1,607,785)	681,741	(1,506,109)
Benefit Payments	(1,562,359)	(1,729,244)	(1,604,785)
Net Change in Total OPEB Liability	\$ 77,540	\$ (4,099,243)	\$ (11,120,307)
Total OPEB Liability, Beginning	34,759,943	34,837,483	30,738,240
Total OPEB Liability, Ending	<u>\$ 34,837,483</u>	<u>\$ 30,738,240</u>	<u>\$ 19,617,933</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 7,393,385	\$ 7,028,268	\$ 5,358,343
Employer Proportionate Share of the Total OPEB Liability	27,444,098	23,709,972	14,259,590
Covered Employee Payroll	\$ 47,750,736	\$ 50,462,098	\$ 52,896,548
Net OPEB Liability as a Percentage of Covered Employee Payroll	57.47%	46.99%	26.96%

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:

For the 2019 plan year - from 5.4 percent to 6.75 percent.
For the 2020 plan year - from 6.75 percent to 6.03 percent.

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

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 175,194	\$ 143,603	\$ 67,205
Interest	230,692	260,628	122,572
Changes in Benefit Terms	0	(3,660,869)	0
Differences Between Actual and Expected Experience	0	(360,073)	6,704
Changes in Assumptions or Other Inputs	(672,478)	(26,374)	44,529
Benefit Payments	(278,100)	(284,323)	(148,075)
Net Change in Total OPEB Liability	\$ (544,692)	\$ (3,927,408)	\$ 92,935
Total OPEB Liability, Beginning	7,864,250	7,319,558	3,392,150
Total OPEB Liability, Ending	<u>\$ 7,319,558</u>	<u>\$ 3,392,150</u>	<u>\$ 3,485,085</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 3,402,753	\$ 2,916,805	\$ 3,060,686
Employer Proportionate Share of the Total OPEB Liability	3,916,805	475,345	424,399
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%

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

For the 2019 plan year - from 5.4 percent to 6.75 percent.
For the 2020 plan year - from 6.75 percent to 6.03 percent.

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

HAMBLÉN COUNTY, 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:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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.

Solid Waste/Sanitation Fund – This special revenue fund is used to account for transactions involving solid waste collection.

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

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

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county's highway department.

Capital Projects Funds

Capital Projects Funds are 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.

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for expenditures related to road repairs.

Exhibit G-1

Hamblen County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds					Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 41	\$ 0	\$ 7,867	\$ 0	\$ 7,908	\$ 0
Equity in Pooled Cash and Investments	2,071,804	162,058	0	1,683,836	3,917,698	81,546
Accounts Receivable	12,617	0	63,332	0	75,949	20,078
Due from Other Governments	119,747	2,048	0	484,828	606,623	8,111
Due from Other Funds	0	0	0	0	0	700
Property Taxes Receivable	1,338,535	0	0	0	1,338,535	0
Allowance for Uncollectible Property Taxes	(47,329)	0	0	0	(47,329)	0
Total Assets	\$ 3,495,415	\$ 164,106	\$ 71,199	\$ 2,168,664	\$ 5,899,384	\$ 110,435
<u>LIABILITIES</u>						
Accounts Payable	\$ 146,724	\$ 27,562	\$ 0	\$ 168,582	\$ 342,868	\$ 689
Accrued Payroll	36,757	0	0	46,758	83,515	0
Payroll Deductions Payable	0	0	0	4	4	0
Due to Other Funds	46,256	0	71,199	50,280	167,735	0
Total Liabilities	\$ 229,737	\$ 27,562	\$ 71,199	\$ 265,624	\$ 594,122	\$ 689
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,263,023	\$ 0	\$ 0	\$ 0	\$ 1,263,023	\$ 0
Deferred Delinquent Property Taxes	25,268	0	0	0	25,268	0
Other Deferred/Unavailable Revenue	4,280	0	0	290,532	294,812	0
Total Deferred Inflows of Resources	\$ 1,292,571	\$ 0	\$ 0	\$ 290,532	\$ 1,583,103	\$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds					Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 136,544	\$ 0	\$ 0	\$ 136,544	\$ 0
Restricted for Highways/Public Works	0	0	0	1,612,508	1,612,508	0
Restricted for Capital Projects	0	0	0	0	0	31,030
Committed:						
Committed for Public Health and Welfare	1,973,107	0	0	0	1,973,107	0
Committed for Capital Projects	0	0	0	0	0	78,716
Total Fund Balances	\$ 1,973,107	\$ 136,544	\$ 0	\$ 1,612,508	\$ 3,722,159	\$ 109,746
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,495,415	\$ 164,106	\$ 71,199	\$ 2,168,664	\$ 5,899,384	\$ 110,435

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>		
	<u>Highway Capital Projects</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 7,908
Equity in Pooled Cash and Investments	213,618	295,164	4,212,862
Accounts Receivable	0	20,078	96,027
Due from Other Governments	0	8,111	614,734
Due from Other Funds	0	700	700
Property Taxes Receivable	0	0	1,338,535
Allowance for Uncollectible Property Taxes	0	0	(47,329)
Total Assets	<u>\$ 213,618</u>	<u>\$ 324,053</u>	<u>\$ 6,223,437</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,604	\$ 3,293	\$ 346,161
Accrued Payroll	0	0	83,515
Payroll Deductions Payable	0	0	4
Due to Other Funds	0	0	167,735
Total Liabilities	<u>\$ 2,604</u>	<u>\$ 3,293</u>	<u>\$ 597,415</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,263,023
Deferred Delinquent Property Taxes	0	0	25,268
Other Deferred/Unavailable Revenue	0	0	294,812
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,583,103</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

 Restricted for Public Safety
 Restricted for Highways/Public Works
 Restricted for Capital Projects

Committed:

 Committed for Public Health and Welfare
 Committed for Capital Projects

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>			Total
<u>Highway</u>			<u>Nonmajor</u>
<u>Capital</u>			<u>Governmental</u>
<u>Projects</u>	<u>Total</u>		<u>Funds</u>
\$ 0	\$ 0	\$	136,544
0	0		1,612,508
0	31,030		31,030
0	0		1,973,107
211,014	289,730		289,730
<u>\$ 211,014</u>	<u>\$ 320,760</u>	<u>\$</u>	<u>4,042,919</u>
<u>\$ 213,618</u>	<u>\$ 324,053</u>	<u>\$</u>	<u>6,223,437</u>

Exhibit G-2

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

	Special Revenue Funds					Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 2,353,758	\$ 0	\$ 0	\$ 132,642	\$ 2,486,400	\$ 0
Licenses and Permits	1,472	0	0	0	1,472	0
Fines, Forfeitures, and Penalties	0	44,842	0	0	44,842	0
Charges for Current Services	0	0	12,930	0	12,930	0
Other Local Revenues	10,549	14,179	0	679	25,407	720
State of Tennessee	18,175	0	0	2,652,334	2,670,509	51,750
Federal Government	0	0	0	0	0	12,781
Other Governments and Citizens Groups	0	8,997	0	0	8,997	0
Total Revenues	\$ 2,383,954	\$ 68,018	\$ 12,930	\$ 2,785,655	\$ 5,250,557	\$ 65,251
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 12,930	\$ 0	\$ 12,930	\$ 0
Public Safety	0	125,483	0	0	125,483	0
Public Health and Welfare	2,669,672	0	0	0	2,669,672	0
Highways	0	0	0	3,043,758	3,043,758	0
Capital Projects	0	0	0	0	0	33,483
Total Expenditures	\$ 2,669,672	\$ 125,483	\$ 12,930	\$ 3,043,758	\$ 5,851,843	\$ 33,483
Excess (Deficiency) of Revenues Over Expenditures	\$ (285,718)	\$ (57,465)	\$ 0	\$ (258,103)	\$ (601,286)	\$ 31,768

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 92,797	\$ 92,797	\$ 20,078
Transfers In	0	0	0	0	0	157,499
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 92,797</u>	<u>\$ 92,797</u>	<u>\$ 177,577</u>
Net Change in Fund Balances	\$ (285,718)	\$ (57,465)	\$ 0	\$ (165,306)	\$ (508,489)	\$ 209,345
Fund Balance, July 1, 2019	<u>2,258,825</u>	<u>194,009</u>	<u>0</u>	<u>1,777,814</u>	<u>4,230,648</u>	<u>(99,599)</u>
Fund Balance, June 30, 2020	<u>\$ 1,973,107</u>	<u>\$ 136,544</u>	<u>\$ 0</u>	<u>\$ 1,612,508</u>	<u>\$ 3,722,159</u>	<u>\$ 109,746</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 2,486,400
Licenses and Permits	0	0	1,472
Fines, Forfeitures, and Penalties	0	0	44,842
Charges for Current Services	0	0	12,930
Other Local Revenues	0	720	26,127
State of Tennessee	136,000	187,750	2,858,259
Federal Government	0	12,781	12,781
Other Governments and Citizens Groups	0	0	8,997
Total Revenues	<u>\$ 136,000</u>	<u>\$ 201,251</u>	<u>\$ 5,451,808</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 12,930
Public Safety	0	0	125,483
Public Health and Welfare	0	0	2,669,672
Highways	0	0	3,043,758
Capital Projects	85,556	119,039	119,039
Total Expenditures	<u>\$ 85,556</u>	<u>\$ 119,039</u>	<u>\$ 5,970,882</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 50,444</u>	<u>\$ 82,212</u>	<u>\$ (519,074)</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 20,078	\$ 112,875
Transfers In	0	157,499	157,499
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 177,577</u>	<u>\$ 270,374</u>
Net Change in Fund Balances	\$ 50,444	\$ 259,789	\$ (248,700)
Fund Balance, July 1, 2019	<u>160,570</u>	<u>60,971</u>	<u>4,291,619</u>
Fund Balance, June 30, 2020	<u>\$ 211,014</u>	<u>\$ 320,760</u>	<u>\$ 4,042,919</u>

Exhibit G-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,353,758	\$ 0	\$ 2,353,758	\$ 2,221,276	\$ 2,221,276	\$ 132,482
Licenses and Permits	1,472	0	1,472	1,500	1,500	(28)
Other Local Revenues	10,549	0	10,549	0	0	10,549
State of Tennessee	18,175	0	18,175	18,000	18,000	175
Total Revenues	\$ 2,383,954	\$ 0	\$ 2,383,954	\$ 2,240,776	\$ 2,240,776	\$ 143,178
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Sanitation Management	\$ 2,669,672	\$ (147,785)	\$ 2,521,887	\$ 2,582,517	\$ 2,707,517	\$ 185,630
Total Expenditures	\$ 2,669,672	\$ (147,785)	\$ 2,521,887	\$ 2,582,517	\$ 2,707,517	\$ 185,630
Excess (Deficiency) of Revenues Over Expenditures	\$ (285,718)	\$ 147,785	\$ (137,933)	\$ (341,741)	\$ (466,741)	\$ 328,808
Net Change in Fund Balance	\$ (285,718)	\$ 147,785	\$ (137,933)	\$ (341,741)	\$ (466,741)	\$ 328,808
Fund Balance, July 1, 2019	2,258,825	(147,785)	2,111,040	2,124,074	2,124,074	(13,034)
Fund Balance, June 30, 2020	\$ 1,973,107	\$ 0	\$ 1,973,107	\$ 1,782,333	\$ 1,657,333	\$ 315,774

Exhibit G-4

Hamblen County, 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	\$ 44,842	\$ 29,000	\$ 29,000	\$ 15,842
Other Local Revenues	14,179	250	250	13,929
Other Governments and Citizens Groups	8,997	10,000	10,000	(1,003)
Total Revenues	<u>\$ 68,018</u>	<u>\$ 39,250</u>	<u>\$ 39,250</u>	<u>\$ 28,768</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 125,483	\$ 129,411	\$ 156,911	\$ 31,428
Total Expenditures	<u>\$ 125,483</u>	<u>\$ 129,411</u>	<u>\$ 156,911</u>	<u>\$ 31,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (57,465)</u>	<u>\$ (90,161)</u>	<u>\$ (117,661)</u>	<u>\$ 60,196</u>
Net Change in Fund Balance	\$ (57,465)	\$ (90,161)	\$ (117,661)	\$ 60,196
Fund Balance, July 1, 2019	194,009	115,542	143,042	50,967
Fund Balance, June 30, 2020	<u>\$ 136,544</u>	<u>\$ 25,381</u>	<u>\$ 25,381</u>	<u>\$ 111,163</u>

Exhibit G-5

Hamblen County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works 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	\$ 132,642	\$ 0	\$ 0	\$ 132,642	\$ 131,700	\$ 131,700	\$ 942
Other Local Revenues	679	0	0	679	0	0	679
State of Tennessee	2,652,334	0	0	2,652,334	2,756,742	2,756,742	(104,408)
Total Revenues	\$ 2,785,655	\$ 0	\$ 0	\$ 2,785,655	\$ 2,888,442	\$ 2,888,442	\$ (102,787)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 414,941	\$ (2,892)	\$ 0	\$ 412,049	\$ 437,983	\$ 437,983	\$ 25,934
Highway and Bridge Maintenance	1,255,995	(32,494)	0	1,223,501	1,485,861	1,531,861	308,360
Operation and Maintenance of Equipment	335,057	(14,455)	4,041	324,643	331,126	391,126	66,483
Employee Benefits	17,946	0	0	17,946	28,725	28,725	10,779
Capital Outlay	1,019,819	(237,577)	240,423	1,022,665	894,000	1,306,829	284,164
Total Expenditures	\$ 3,043,758	\$ (287,418)	\$ 244,464	\$ 3,000,804	\$ 3,177,695	\$ 3,696,524	\$ 695,720
Excess (Deficiency) of Revenues Over Expenditures	\$ (258,103)	\$ 287,418	\$ (244,464)	\$ (215,149)	\$ (289,253)	\$ (808,082)	\$ 592,933
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 92,797	\$ 0	\$ 0	\$ 92,797	\$ 0	\$ 73,867	\$ 18,930
Total Other Financing Sources	\$ 92,797	\$ 0	\$ 0	\$ 92,797	\$ 0	\$ 73,867	\$ 18,930
Net Change in Fund Balance	\$ (165,306)	\$ 287,418	\$ (244,464)	\$ (122,352)	\$ (289,253)	\$ (734,215)	\$ 611,863
Fund Balance, July 1, 2019	1,777,814	(287,418)	0	1,490,396	1,838,065	1,838,065	(347,669)
Fund Balance, June 30, 2020	\$ 1,612,508	\$ 0	\$ (244,464)	\$ 1,368,044	\$ 1,548,812	\$ 1,103,850	\$ 264,194

Exhibit G-6

Hamblen County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
State of Tennessee	\$ 136,000	\$ 0	\$ 136,000	\$ 136,000	\$ 136,000	\$ 0
Total Revenues	\$ 136,000	\$ 0	\$ 136,000	\$ 136,000	\$ 136,000	\$ 0
<u>Expenditures</u>						
<u>Capital Projects</u>						
Highway and Street Capital Projects	\$ 85,556	\$ 34,550	\$ 120,106	\$ 137,360	\$ 137,360	\$ 17,254
Total Expenditures	\$ 85,556	\$ 34,550	\$ 120,106	\$ 137,360	\$ 137,360	\$ 17,254
Excess (Deficiency) of Revenues Over Expenditures	\$ 50,444	\$ (34,550)	\$ 15,894	\$ (1,360)	\$ (1,360)	\$ 17,254
Net Change in Fund Balance	\$ 50,444	\$ (34,550)	\$ 15,894	\$ (1,360)	\$ (1,360)	\$ 17,254
Fund Balance, July 1, 2019	160,570	0	160,570	9,570	9,570	151,000
Fund Balance, June 30, 2020	\$ 211,014	\$ (34,550)	\$ 176,464	\$ 8,210	\$ 8,210	\$ 168,254

Major Governmental Funds

Debt Service Fund

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

Exhibit H

Hamblen County, 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	\$ 5,369,441	\$ 5,336,492	\$ 5,336,492	\$ 32,949
Fines, Forfeitures, and Penalties	41,873	44,500	44,500	(2,627)
Other Local Revenues	981,245	600,000	600,000	381,245
Total Revenues	<u>\$ 6,392,559</u>	<u>\$ 5,980,992</u>	<u>\$ 5,980,992</u>	<u>\$ 411,567</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 363,972	\$ 364,000	\$ 364,000	\$ 28
Highways and Streets	319,308	319,500	319,500	192
Education	2,105,574	2,106,000	2,106,000	426
<u>Interest on Debt</u>				
General Government	241,729	130,000	232,500	(9,229)
Highways and Streets	19,062	19,500	19,500	438
Education	723,273	579,000	690,000	(33,273)
<u>Other Debt Service</u>				
General Government	101,667	105,000	105,000	3,333
Education	14,486	16,280	16,280	1,794
Total Expenditures	<u>\$ 3,889,071</u>	<u>\$ 3,639,280</u>	<u>\$ 3,852,780</u>	<u>\$ (36,291)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,503,488</u>	<u>\$ 2,341,712</u>	<u>\$ 2,128,212</u>	<u>\$ 375,276</u>
Net Change in Fund Balance	\$ 2,503,488	\$ 2,341,712	\$ 2,128,212	\$ 375,276
Fund Balance, July 1, 2019	<u>3,951,454</u>	<u>3,731,407</u>	<u>3,731,407</u>	<u>220,047</u>
Fund Balance, June 30, 2020	<u>\$ 6,454,942</u>	<u>\$ 6,073,119</u>	<u>\$ 5,859,619</u>	<u>\$ 595,323</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or 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.

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

Constitutional Officers - 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.

Exhibit I-1

Hamblen County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 5,152	\$ 5,152
Equity in Pooled Cash and Investments	7,178	2,571,092	2,578,270
Accounts Receivable	0	1,591	1,591
Due from Other Governments	2,534,933	0	2,534,933
Total Assets	<u>\$ 2,542,111</u>	<u>\$ 2,577,835</u>	<u>\$ 5,119,946</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 2,542,111	\$ 0	\$ 2,542,111
Due to Litigants, Heirs, and Others	0	2,577,835	2,577,835
Total Liabilities	<u>\$ 2,542,111</u>	<u>\$ 2,577,835</u>	<u>\$ 5,119,946</u>

Exhibit I-2

Hamblen County, 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>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 6,654	\$ 13,514,347	\$ 13,513,823	\$ 7,178
Due from Other Governments	2,323,704	2,534,933	2,323,704	2,534,933
Total Assets	<u>\$ 2,330,358</u>	<u>\$ 16,049,280</u>	<u>\$ 15,837,527</u>	<u>\$ 2,542,111</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,330,358	\$ 16,049,280	\$ 15,837,527	\$ 2,542,111
Total Liabilities	<u>\$ 2,330,358</u>	<u>\$ 16,049,280</u>	<u>\$ 15,837,527</u>	<u>\$ 2,542,111</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 3,086,353	\$ 14,188,152	\$ 14,698,261	\$ 2,576,244
Accounts Receivable	1,853	1,591	1,853	1,591
Total Assets	<u>\$ 3,088,206</u>	<u>\$ 14,189,743</u>	<u>\$ 14,700,114</u>	<u>\$ 2,577,835</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,088,206	\$ 14,189,743	\$ 14,700,114	\$ 2,577,835
Total Liabilities	<u>\$ 3,088,206</u>	<u>\$ 14,189,743</u>	<u>\$ 14,700,114</u>	<u>\$ 2,577,835</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,086,353	\$ 14,188,152	\$ 14,698,261	\$ 2,576,244
Equity in Pooled Cash and Investments	6,654	13,514,347	13,513,823	7,178
Accounts Receivable	1,853	1,591	1,853	1,591
Due from Other Governments	2,323,704	2,534,933	2,323,704	2,534,933
Total Assets	<u>\$ 5,418,564</u>	<u>\$ 30,239,023</u>	<u>\$ 30,537,641</u>	<u>\$ 5,119,946</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,330,358	\$ 16,049,280	\$ 15,837,527	\$ 2,542,111
Due to Litigants, Heirs, and Others	3,088,206	14,189,743	14,700,114	2,577,835
Total Liabilities	<u>\$ 5,418,564</u>	<u>\$ 30,239,023</u>	<u>\$ 30,537,641</u>	<u>\$ 5,119,946</u>

Hamblen County School Department

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

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

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

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

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

Exhibit J-1

Hamblen County, Tennessee
Statement of Activities
Discretely Presented Hamblen 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	\$ 54,030,482	\$ 395,118	\$ 4,274,957	\$ 0	\$ (49,360,407)
Support Services	30,669,735	304,647	11,815	10,529,866	(19,823,407)
Operation of Non-instructional Services	7,261,994	978,310	5,325,556	0	(958,128)
Total Governmental Activities	\$ 91,962,211	\$ 1,678,075	\$ 9,612,328	\$ 10,529,866	\$ (70,141,942)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 12,951,021
Local Option Sales Taxes					14,907,889
Mixed Drink Tax					71,138
Grants and Contributions Not Restricted to Specific Programs					58,862,572
Unrestricted Investment Income					45,680
Gain on Investments					12,656
Miscellaneous					4,756
Total General Revenues					\$ 86,855,712
Change in Net Position					\$ 16,713,770
Net Position, July 1, 2019					49,898,906
Net Position, June 30, 2020					\$ 66,612,676

Exhibit J-2

Hamblen County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hamblen County School Department
June 30, 2020

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 10,637,859	\$ 71,808	\$ 5,181,304	\$ 330	\$ 15,891,301
Inventories	0	0	152,001	0	152,001
Accounts Receivable	15,640	0	46,107	0	61,747
Due from Other Governments	3,150,250	428,192	56,467	0	3,634,909
Due from Other Funds	294,327	0	0	0	294,327
Due from Primary Government	0	0	0	9,583,204	9,583,204
Property Taxes Receivable	13,838,091	0	0	0	13,838,091
Allowance for Uncollectible Property Taxes	(505,919)	0	0	0	(505,919)
Restricted Assets	405,556	0	0	0	405,556
Total Assets	<u>\$ 27,835,804</u>	<u>\$ 500,000</u>	<u>\$ 5,435,879</u>	<u>\$ 9,583,534</u>	<u>\$ 43,355,217</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 244,173	\$ 0	\$ 1,702	\$ 0	\$ 245,875
Accrued Payroll	0	0	9,725	0	9,725
Contracts Payable	0	0	0	1,541,791	1,541,791
Retainage Payable	0	0	0	71,322	71,322
Due to Other Funds	0	0	294,327	0	294,327
Other Current Liabilities	0	0	93,047	0	93,047
Total Liabilities	<u>\$ 244,173</u>	<u>\$ 0</u>	<u>\$ 398,801</u>	<u>\$ 1,613,113</u>	<u>\$ 2,256,087</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 13,018,743	\$ 0	\$ 0	\$ 0	\$ 13,018,743
Deferred Delinquent Property Taxes	272,065	0	0	0	272,065

(Continued)

Exhibit J-2

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

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 1,382,934	\$ 0	\$ 0	\$ 0	\$ 1,382,934
Total Deferred Inflows of Resources	\$ 14,673,742	\$ 0	\$ 0	\$ 0	\$ 14,673,742
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 152,001	\$ 0	\$ 152,001
Restricted:					
Restricted for Education	84,744	0	4,885,077	0	4,969,821
Restricted for Capital Projects	0	0	0	7,970,421	7,970,421
Restricted for Hybrid Retirement Stabilization Funds	405,556	0	0	0	405,556
Committed:					
Committed for Education	255,414	500,000	0	0	755,414
Assigned:					
Assigned for Education	1,378,613	0	0	0	1,378,613
Assigned for Capital Projects	2,762,392	0	0	0	2,762,392
Unassigned	8,031,170	0	0	0	8,031,170
Total Fund Balances	\$ 12,917,889	\$ 500,000	\$ 5,037,078	\$ 7,970,421	\$ 26,425,388
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,835,804	\$ 500,000	\$ 5,435,879	\$ 9,583,534	\$ 43,355,217

Exhibit J-3

Hamblen County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Hamblen 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 J-2)		\$ 26,425,388
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Add: land	\$ 4,483,652	
Add: construction in progress	3,183,235	
Add: buildings and improvements net of accumulated depreciation	37,453,700	
Add: other capital assets net of accumulated depreciation	<u>11,039,445</u>	56,160,032
(2) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		1,654,999
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: OPEB liability	\$ (14,683,989)	
Less: compensated absences payable	(241,026)	
Less: retirement incentive	(86,657)	
Less: retirement honorarium	<u>(944,731)</u>	(15,956,403)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 7,354,253	
Less: deferred inflows of resources related to pensions	(10,217,832)	
Add: deferred outflows of resources related to OPEB	1,129,875	
Less: deferred inflows of resources related to OPEB	<u>(12,189,788)</u>	(13,923,492)
(5) Net pensions assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,276,142	
Add: net pension asset - teacher retirement plan	477,808	
Add: net pension asset - teacher legacy pension plan	<u>10,498,202</u>	<u>12,252,152</u>
Net position of governmental activities (Exhibit A)		<u>\$ 66,612,676</u>

Exhibit J-4

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

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 27,948,263	\$ 0	\$ 0	\$ 0	\$ 27,948,263
Charges for Current Services	671,449	0	1,006,226	0	1,677,675
Other Local Revenues	159,353	0	49,921	10,400,000	10,609,274
State of Tennessee	57,544,427	0	60,255	0	57,604,682
Federal Government	62,721	6,309,734	5,078,232	0	11,450,687
Total Revenues	\$ 86,386,213	\$ 6,309,734	\$ 6,194,634	\$ 10,400,000	\$ 109,290,581
<u>Expenditures</u>					
Current:					
Instruction	\$ 54,509,652	\$ 4,915,669	\$ 0	\$ 0	\$ 59,425,321
Support Services	26,019,028	1,336,508	0	0	27,355,536
Operation of Non-Instructional Services	1,519,684	0	5,599,102	0	7,118,786
Capital Outlay	3,767,505	0	0	0	3,767,505
Debt Service:					
Other Debt Service	500,000	0	0	0	500,000
Capital Projects	0	0	0	2,473,614	2,473,614
Total Expenditures	\$ 86,315,869	\$ 6,252,177	\$ 5,599,102	\$ 2,473,614	\$ 100,640,762
Excess (Deficiency) of Revenues Over Expenditures	\$ 70,344	\$ 57,557	\$ 595,532	\$ 7,926,386	\$ 8,649,819
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 54,350	\$ 0	\$ 0	\$ 0	\$ 54,350
Transfers In	355,697	0	0	0	355,697
Transfers Out	0	(61,370)	(294,327)	0	(355,697)
Total Other Financing Sources (Uses)	\$ 410,047	\$ (61,370)	\$ (294,327)	\$ 0	\$ 54,350

(Continued)

Exhibit J-4

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

	Major Funds				Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
Net Change in Fund Balances	\$ 480,391	\$ (3,813)	\$ 301,205	\$ 7,926,386	\$ 8,704,169
Fund Balance, July 1, 2019	12,437,498	503,813	4,735,873	44,035	17,721,219
Fund Balance, June 30, 2020	\$ 12,917,889	\$ 500,000	\$ 5,037,078	\$ 7,970,421	\$ 26,425,388

Exhibit J-5

Hamblen County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Hamblen 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 J-4)		\$ 8,704,169
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,621,472	
Less: current-year depreciation expense	<u>(3,647,486)</u>	1,973,986
(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		(7,909)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 1,654,999	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(1,585,693)</u>	69,306
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (4,147)	
Change in other postemployment benefits liability	9,501,328	
Change in retirement incentive	53,825	
Change in retirement honorarium	(24,431)	
Change in net pension asset/liability	7,627,725	
Change in deferred outflows related to pensions	(1,148,771)	
Change in deferred inflows related to pensions	(4,243,664)	
Change in deferred outflows related to OPEB	(583,341)	
Change in deferred inflows related to OPEB	<u>(5,204,306)</u>	<u>5,974,218</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 16,713,770</u>

Exhibit J-6

Hamblen County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hamblen County School Department
General Purpose School 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	\$ 27,948,263	\$ 0	\$ 0	\$ 27,948,263	\$ 27,356,092	\$ 27,356,092	\$ 592,171
Charges for Current Services	671,449	0	0	671,449	823,200	823,200	(151,751)
Other Local Revenues	159,353	0	0	159,353	52,050	108,327	51,026
State of Tennessee	57,544,427	0	0	57,544,427	57,148,584	57,905,792	(361,365)
Federal Government	62,721	0	0	62,721	41,609	64,086	(1,365)
Total Revenues	\$ 86,386,213	\$ 0	\$ 0	\$ 86,386,213	\$ 85,421,535	\$ 86,257,497	\$ 128,716
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 43,861,543	\$ (24,628)	\$ 296,747	\$ 44,133,662	\$ 45,386,945	\$ 45,431,672	\$ 1,298,010
Special Education Program	6,928,043	(16,263)	20,384	6,932,164	7,143,306	7,147,949	215,785
Career and Technical Education Program	3,567,984	(10,801)	3,626	3,560,809	3,643,582	3,662,048	101,239
Student Body Education Program	152,082	(5,795)	3,780	150,067	219,302	224,302	74,235
<u>Support Services</u>							
Attendance	3,039	0	0	3,039	4,000	4,000	961
Health Services	805,117	(589)	0	804,528	827,498	830,698	26,170
Other Student Support	1,696,038	(32,696)	0	1,663,342	1,724,133	1,724,133	60,791
Regular Instruction Program	2,484,747	(113,938)	31,403	2,402,212	2,472,295	2,721,315	319,103
Special Education Program	997,491	(78)	0	997,413	1,095,183	1,113,016	115,603
Career and Technical Education Program	246,449	0	0	246,449	252,908	252,908	6,459
Technology	1,599,663	(12,436)	84,490	1,671,717	1,696,871	1,719,904	48,187
Other Programs	512,388	0	0	512,388	0	512,388	0
Board of Education	1,136,407	(402)	1,415	1,137,420	1,298,034	1,298,034	160,614
Director of Schools	652,923	(844)	489	652,568	707,370	707,370	54,802
Office of the Principal	4,982,291	0	0	4,982,291	5,153,481	5,153,481	171,190
Fiscal Services	548,987	(25,933)	2,500	525,554	574,488	574,488	48,934
Operation of Plant	5,595,418	(764)	5,235	5,599,889	6,555,469	6,555,469	955,580
Maintenance of Plant	1,564,636	(26,675)	10,754	1,548,715	1,627,966	1,627,966	79,251
Transportation	3,193,434	(20,822)	22,629	3,195,241	3,869,067	3,869,067	673,826

(Continued)

Exhibit J-6

Hamblen County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hamblen County School Department
General Purpose School 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>Operation of Non-Instructional Services</u>							
Community Services	\$ 425,823	\$ (3,259)	\$ 1,600	\$ 424,164	\$ 411,354	\$ 447,239	\$ 23,075
Early Childhood Education	1,093,861	(4,024)	663	1,090,500	1,119,620	1,129,620	39,120
<u>Capital Outlay</u>							
Regular Capital Outlay	3,767,505	(1,718,804)	1,141,975	3,190,676	4,475,437	4,521,171	1,330,495
<u>Interest on Debt</u>							
Education	0	0	0	0	500,000	0	0
<u>Other Debt Service</u>							
Education	500,000	0	0	500,000	0	500,000	0
Total Expenditures	\$ 86,315,869	\$ (2,018,751)	\$ 1,627,690	\$ 85,924,808	\$ 90,758,309	\$ 91,728,238	\$ 5,803,430
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 70,344	\$ 2,018,751	\$ (1,627,690)	\$ 461,405	\$ (5,336,774)	\$ (5,470,741)	\$ 5,932,146
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 54,350	\$ 0	\$ 0	\$ 54,350	\$ 10,000	\$ 55,734	\$ (1,384)
Transfers In	355,697	0	0	355,697	429,684	429,684	(73,987)
Transfers Out	0	0	0	0	(28,244)	(28,244)	28,244
Total Other Financing Sources	\$ 410,047	\$ 0	\$ 0	\$ 410,047	\$ 411,440	\$ 457,174	\$ (47,127)
Net Change in Fund Balance							
Fund Balance, July 1, 2019	\$ 12,437,498	(2,018,751)	0	10,418,747	11,268,418	11,268,418	(849,671)
Fund Balance, June 30, 2020	\$ 12,917,889	\$ 0	\$ (1,627,690)	\$ 11,290,199	\$ 6,343,084	\$ 6,254,851	\$ 5,035,348

Exhibit J-7

Hamblen County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hamblen County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 6,309,734	\$ 0	\$ 6,309,734	\$ 6,112,580	\$ 6,886,634	\$ (576,900)
Total Revenues	\$ 6,309,734	\$ 0	\$ 6,309,734	\$ 6,112,580	\$ 6,886,634	\$ (576,900)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 2,358,535	\$ (1,591)	\$ 2,356,944	\$ 2,157,115	\$ 2,434,948	\$ 78,004
Special Education Program	2,387,014	0	2,387,014	2,461,877	2,550,620	163,606
Career and Technical Education Program	170,120	0	170,120	133,048	172,499	2,379
<u>Support Services</u>						
Health Services	89,672	0	89,672	106,542	100,809	11,137
Other Student Support	88,245	(2,099)	86,146	98,075	97,842	11,696
Regular Instruction Program	1,129,971	(123)	1,129,848	1,073,350	1,423,626	293,778
Special Education Program	17,404	0	17,404	8,100	22,224	4,820
Career and Technical Education Program	6,451	0	6,451	12,000	6,451	0
Technology	0	0	0	1,000	0	0
Transportation	4,765	0	4,765	10,000	10,712	5,947
Total Expenditures	\$ 6,252,177	\$ (3,813)	\$ 6,248,364	\$ 6,061,107	\$ 6,819,731	\$ 571,367
Excess (Deficiency) of Revenues Over Expenditures	\$ 57,557	\$ 3,813	\$ 61,370	\$ 51,473	\$ 66,903	\$ (5,533)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (61,370)	\$ 0	\$ (61,370)	\$ (51,474)	\$ (66,903)	\$ 5,533
Total Other Financing Sources	\$ (61,370)	\$ 0	\$ (61,370)	\$ (51,474)	\$ (66,903)	\$ 5,533

(Continued)

Exhibit J-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (3,813)	\$ 3,813	\$ 0	\$ (1)	\$ 0	\$ 0
Fund Balance, July 1, 2019	503,813	(3,813)	500,000	0	0	500,000
Fund Balance, June 30, 2020	\$ 500,000	\$ 0	\$ 500,000	\$ (1)	\$ 0	\$ 500,000

Exhibit J-8

Hamblen County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Hamblen County School Department
Central Cafeteria 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>							
Charges for Current Services	\$ 1,006,226	\$ 0	\$ 0	\$ 1,006,226	\$ 1,237,000	\$ 1,237,000	\$ (230,774)
Other Local Revenues	49,921	0	0	49,921	6,000	16,000	33,921
State of Tennessee	60,255	0	0	60,255	59,000	59,000	1,255
Federal Government	5,078,232	0	0	5,078,232	5,537,305	5,537,305	(459,073)
Total Revenues	\$ 6,194,634	\$ 0	\$ 0	\$ 6,194,634	\$ 6,839,305	\$ 6,849,305	\$ (654,671)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 5,599,102	\$ (20,908)	\$ 640,090	\$ 6,218,284	\$ 7,298,014	\$ 7,778,014	\$ 1,559,730
Total Expenditures	\$ 5,599,102	\$ (20,908)	\$ 640,090	\$ 6,218,284	\$ 7,298,014	\$ 7,778,014	\$ 1,559,730
Excess (Deficiency) of Revenues Over Expenditures	\$ 595,532	\$ 20,908	\$ (640,090)	\$ (23,650)	\$ (458,709)	\$ (928,709)	\$ 905,059
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (294,327)	\$ 0	\$ 0	\$ (294,327)	\$ (365,000)	\$ (365,000)	\$ 70,673
Total Other Financing Sources	\$ (294,327)	\$ 0	\$ 0	\$ (294,327)	\$ (365,000)	\$ (365,000)	\$ 70,673
Net Change in Fund Balance	\$ 301,205	\$ 20,908	\$ (640,090)	\$ (317,977)	\$ (823,709)	\$ (1,293,709)	\$ 975,732
Fund Balance, July 1, 2019	4,735,873	(20,908)	0	4,714,965	4,904,755	4,904,755	(189,790)
Fund Balance, June 30, 2020	\$ 5,037,078	\$ 0	\$ (640,090)	\$ 4,396,988	\$ 4,081,046	\$ 3,611,046	\$ 785,942

MISCELLANEOUS SCHEDULES

Exhibit K-1

Hamblen County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Local Government Public Improvement Bonds, Series E-4-A - Refunding	\$ 10,100,000	Variable (1)	8-13-08	6-1-25	\$ 10,100,000	\$ 0	\$ 1,470,000	\$ 8,630,000
Qualified School Construction Bonds	11,280,000	1.515 %	12-17-09	7-1-26	5,062,623	0	703,854	4,358,769
Total Payable through General Debt Service Fund					<u>\$ 15,162,623</u>	<u>\$ 0</u>	<u>\$ 2,173,854</u>	<u>\$ 12,988,769</u>
Total Other Loans Payable					<u>\$ 15,162,623</u>	<u>\$ 0</u>	<u>\$ 2,173,854</u>	<u>\$ 12,988,769</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Bonds, Series 2014	5,200,000	1.446	3-28-14	6-1-23	\$ 2,210,000	\$ 0	\$ 615,000	\$ 1,595,000
General Obligation Bonds, Series 2020A	19,995,000	2-5	1-31-20	6-1-49	0	19,995,000	0	19,995,000
Total Payable through General Debt Service Fund					<u>\$ 2,210,000</u>	<u>\$ 19,995,000</u>	<u>\$ 615,000</u>	<u>\$ 21,590,000</u>
Total Bonds Payable					<u>\$ 2,210,000</u>	<u>\$ 19,995,000</u>	<u>\$ 615,000</u>	<u>\$ 21,590,000</u>

(1) This issue was swapped to a synthetic fixed rate by execution of a swap agreement in a prior year.

Exhibit K-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2021	\$ 2,253,854	\$ 580,299	\$ 25,351	\$ 2,859,504
2022	2,333,854	506,767	20,798	2,861,419
2023	2,423,854	429,440	16,010	2,869,304
2024	2,518,854	347,843	10,957	2,877,654
2025	2,618,854	261,740	5,625	2,886,219
2026	773,140	170,892	0	944,032
2027	66,359	14,241	0	80,600
Total	\$ 12,988,769	\$ 2,311,222	\$ 78,741	\$ 15,378,732

Year Ending June 30	Bonds		Total
	Principal	Interest	
2021	\$ 630,000	\$ 662,200	\$ 1,292,200
2022	745,000	652,120	1,397,120
2023	1,060,000	635,187	1,695,187
2024	740,000	591,787	1,331,787
2025	740,000	554,787	1,294,787
2026	740,000	517,787	1,257,787
2027	740,000	480,787	1,220,787
2028	740,000	443,788	1,183,788
2029	740,000	406,788	1,146,788
2030	740,000	369,788	1,109,788
2031	740,000	332,788	1,072,788
2032	740,000	317,988	1,057,988
2033	735,000	303,188	1,038,188
2034	735,000	288,488	1,023,488
2035	735,000	272,868	1,007,868
2036	735,000	256,331	991,331
2037	735,000	239,794	974,794
2038	735,000	222,338	957,338
2039	735,000	204,881	939,881
2040	735,000	187,425	922,425
2041	735,000	169,050	904,050
2042	735,000	150,675	885,675
2043	735,000	132,300	867,300
2044	735,000	113,925	848,925
2045	735,000	95,550	830,550
2046	735,000	77,175	812,175
2047	735,000	57,881	792,881
2048	735,000	38,587	773,587
2049	735,000	19,294	754,294
Total	\$ 21,590,000	\$ 8,795,545	\$ 30,385,545

Exhibit K-3

Hamblen County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hamblen 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>			
Other Capital Projects	General Capital Projects	Capital outlay	\$ 157,499
Total Transfers Primary Government			<u>\$ 157,499</u>
<u>DISCRETELY PRESENTED HAMBLEN COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 61,370
Central Cafeteria	General Purpose School	Indirect costs	<u>294,327</u>
Total Transfers Discretely Presented Hamblen County School Department			<u>\$ 355,697</u>

Exhibit K-4

Hamblen County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Hamblen 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>	\$ 104,175	\$ 400,000	Tennessee Risk Management Trust
Highway Superintendent	Section 8-24-102, <i>TCA</i>	96,475	100,000	RLI Insurance Company
Director of Schools	State Board of Education and County Board of Education	179,530 (1)	100,000	The Ohio Casualty Insurance Company
Trustee:				
John Baskette (7-1-19 through 9-13-19)	Section 8-24-102, <i>TCA</i>	18,272	400,000	Tennessee Risk Management Trust
Scotty Long (9-23-19 through 6-30-20)	Section 8-24-102, <i>TCA</i>	67,466	2,852,628	The Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	89,737 (2)	50,000	RLI Insurance Company
Finance Director	County Commission	85,696	400,000	Tennessee Risk Management Trust
County Clerk	Section 8-24-102, <i>TCA</i>	87,705	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	87,705	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	87,705 (3)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	87,705	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	100,014 (4)	400,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			400,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			250,000	Liberty Mutual Insurance Company

(1) Includes a chief executive officer training supplement of \$1,000, a travel allowance of \$12,000, and a 403(b) contribution of \$12,000.

(2) Includes a travel related supplement of \$2,032.

(3) Does not include special commissioner fees of \$12,930.

(4) Includes \$2,739 for serving as workhouse superintendent and \$800 for a law enforcement training supplement.

Exhibit K-5

Hamblen County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,380,822	\$ 1,189,426	\$ 0	\$ 0	\$ 0	\$ 4,825,686
Discount on Property Taxes	539,729	0	0	0	0	0
Trustee's Collections - Prior Year	250,489	27,392	0	0	0	131,184
Trustee's Collections - Bankruptcy	1,871	373	0	0	0	982
Circuit Clerk/Clerk and Master Collections - Prior Years	163,257	14,223	0	0	0	85,541
Interest and Penalty	127,638	11,964	0	0	0	66,374
Payments in-Lieu-of Taxes - T.V.A.	780	276	0	0	0	408
Payments in-Lieu-of Taxes - Local Utilities	148,304	0	0	0	0	74,658
Payments in-Lieu-of Taxes - Other	25,667	0	0	0	0	1,904
<u>County Local Option Taxes</u>						
Local Option Sales Tax	9,855	991,366	0	0	86,000	63,000
Hotel/Motel Tax	10,624	0	0	0	0	0
Wheel Tax	1,591,509	0	0	0	0	0
Litigation Tax - General	116,280	0	0	0	0	0
Litigation Tax - Special Purpose	49,121	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	98,097
Litigation Tax - Courthouse Security	106,130	0	0	0	0	0
Business Tax	1,100,141	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	46,642	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	21,607
Wholesale Beer Tax	0	118,738	0	0	0	0
Total Local Taxes	\$ 13,622,217	\$ 2,353,758	\$ 0	\$ 0	\$ 132,642	\$ 5,369,441

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 4,494	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	348,506	0	0	0	0	0
<u>Permits</u>						
Beer Permits	0	1,472	0	0	0	0
Building Permits	132,815	0	0	0	0	0
Total Licenses and Permits	\$ 485,815	\$ 1,472	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 3,985	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	13,616	0	0	0	0	0
Drug Control Fines	7,822	0	2,532	0	0	0
Drug Court Fees	1,620	0	0	0	0	0
Jail Fees	258	0	0	0	0	1,912
DUI Treatment Fines	931	0	0	0	0	0
Data Entry Fee - Circuit Court	4,319	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	23,803	0	0	0	0	0
Fines for Littering	71	0	0	0	0	0
Officers Costs	40,290	0	0	0	0	0
Game and Fish Fines	70	0	0	0	0	0
Drug Control Fines	0	0	8,679	0	0	0
Drug Court Fees	7,092	0	0	0	0	0
Jail Fees	20,401	0	0	0	0	39,961
DUI Treatment Fines	5,732	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 18,234	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	533	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	2,181	0	0	0	0	0
Officers Costs	3,566	0	0	0	0	0
Drug Control Fines	2,404	0	0	0	0	0
Interpreter Fee	437	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,907	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	280	0	0	0	0	0
Data Entry Fee - Chancery Court	7,928	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Court Fees	100	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	33,631	0	0	0
Other Fines, Forfeitures, and Penalties	87	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 167,667	\$ 0	\$ 44,842	\$ 0	\$ 0	\$ 41,873
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 18,530	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	6,021	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	137,751	0	0	0	0	0
Copy Fees	8,151	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 98,481	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	67	0	0	0	0	0
Tourism Fees	11,550	0	0	0	0	0
Electronic Citation Fee	448	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	12,930	0	0
Data Processing Fee - Register	20,046	0	0	0	0	0
Data Processing Fee - Sheriff	11,527	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,550	0	0	0	0	0
Data Processing Fee - County Clerk	6,595	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	4,725	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	5,216	0	0	0	0	0
Total Charges for Current Services	\$ 334,658	\$ 0	\$ 0	\$ 12,930	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,148	\$ 0	\$ 1,537	\$ 0	\$ 0	\$ 481,245
Lease/Rentals	55,528	0	0	0	0	0
Sale of Materials and Supplies	1,896	9,690	0	0	0	0
Commissary Sales	16,352	0	0	0	0	0
Miscellaneous Refunds	60,536	319	0	0	260	0
Expenditure Credits	7,152	458	0	0	70	0
<u>Nonrecurring Items</u>						
Sale of Equipment	28,652	82	12,102	0	349	0
Damages Recovered from Individuals	0	0	540	0	0	0
Contributions and Gifts	10,350	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 2,603	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500,000
Total Other Local Revenues	\$ 184,217	\$ 10,549	\$ 14,179	\$ 0	\$ 679	\$ 981,245
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 743,889	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	242,785	0	0	0	0	0
General Sessions Court Clerk	558,067	0	0	0	0	0
Clerk and Master	312,964	0	0	0	0	0
Juvenile Court Clerk	48,995	0	0	0	0	0
Register	284,440	0	0	0	0	0
Sheriff	20,642	0	0	0	0	0
Trustee	1,093,047	0	0	0	0	0
Total Fees Received From County Officials	\$ 3,304,829	\$ 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
Solid Waste Grants	77,556	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	34,400	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	660,904	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	137,518	0
Litter Program	55,998	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 50,888	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	0	18,175	0	0	0	0
Vehicle Certificate of Title Fees	12,234	0	0	0	0	0
Alcoholic Beverage Tax	104,799	0	0	0	0	0
State Revenue Sharing - T.V.A.	645,718	0	0	0	200,000	0
State Revenue Sharing - Telecommunications	56,321	0	0	0	0	0
Contracted Prisoner Boarding	882,826	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,258,406	0
Petroleum Special Tax	0	0	0	0	56,410	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	150,200	0	0	0	0	0
Other State Revenues	58,473	0	0	0	0	0
Total State of Tennessee	\$ 2,814,481	\$ 18,175	\$ 0	\$ 0	\$ 2,652,334	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 29,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	33,664	0	0	0	0	0
COVID-19 Grant #2	3,542	0	0	0	0	0
COVID-19 Grant #3	7,432	0	0	0	0	0
COVID-19 Grant #4	1,286	0	0	0	0	0
Other Federal through State	7,282	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	76,470	0	0	0	0	0
Total Federal Government	\$ 158,876	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 47,122	\$ 0	\$ 8,997	\$ 0	\$ 0	\$ 0
Contracted Services	75,521	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	10,667	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 133,310</u>	<u>\$ 0</u>	<u>\$ 8,997</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 21,206,070</u>	<u>\$ 2,383,954</u>	<u>\$ 68,018</u>	<u>\$ 12,930</u>	<u>\$ 2,785,655</u>	<u>\$ 6,392,559</u>

(Continued)

Exhibit K-5

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

	<u>Capital Projects Funds</u>			Total
	General Capital Projects	Highway Capital Projects	Other Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 15,395,934
Discount on Property Taxes	0	0	0	539,729
Trustee's Collections - Prior Year	0	0	0	409,065
Trustee's Collections - Bankruptcy	0	0	0	3,226
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	263,021
Interest and Penalty	0	0	0	205,976
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	1,464
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	222,962
Payments in-Lieu-of Taxes - Other	0	0	0	27,571
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	1,150,221
Hotel/Motel Tax	0	0	0	10,624
Wheel Tax	0	0	0	1,591,509
Litigation Tax - General	0	0	0	116,280
Litigation Tax - Special Purpose	0	0	0	49,121
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	98,097
Litigation Tax - Courthouse Security	0	0	0	106,130
Business Tax	0	0	0	1,100,141
Mineral Severance Tax	0	0	0	46,642
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	21,607
Wholesale Beer Tax	0	0	0	118,738
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 21,478,058

(Continued)

Exhibit K-5

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects	Other Capital Projects	
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 4,494
Cable TV Franchise	0	0	0	348,506
<u>Permits</u>				
Beer Permits	0	0	0	1,472
Building Permits	0	0	0	132,815
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 487,287
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	\$ 3,985
Officers Costs	0	0	0	13,616
Drug Control Fines	0	0	0	10,354
Drug Court Fees	0	0	0	1,620
Jail Fees	0	0	0	2,170
DUI Treatment Fines	0	0	0	931
Data Entry Fee - Circuit Court	0	0	0	4,319
<u>General Sessions Court</u>				
Fines	0	0	0	23,803
Fines for Littering	0	0	0	71
Officers Costs	0	0	0	40,290
Game and Fish Fines	0	0	0	70
Drug Control Fines	0	0	0	8,679
Drug Court Fees	0	0	0	7,092
Jail Fees	0	0	0	60,362
DUI Treatment Fines	0	0	0	5,732

(Continued)

Exhibit K-5

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	18,234
Courtroom Security Fee	0	0	0	533
<u>Juvenile Court</u>				
Fines	0	0	0	2,181
Officers Costs	0	0	0	3,566
Drug Control Fines	0	0	0	2,404
Interpreter Fee	0	0	0	437
Data Entry Fee - Juvenile Court	0	0	0	1,907
<u>Chancery Court</u>				
Officers Costs	0	0	0	280
Data Entry Fee - Chancery Court	0	0	0	7,928
<u>Other Courts - In-county</u>				
Drug Court Fees	0	0	0	100
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	33,631
Other Fines, Forfeitures, and Penalties	0	0	0	87
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	254,382
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Patient Charges	\$ 0	\$ 0	\$ 0	18,530
Work Release Charges for Board	0	0	0	6,021
<u>Fees</u>				
Recreation Fees	0	0	0	137,751
Copy Fees	0	0	0	8,151

(Continued)

Exhibit K-5

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

	<u>Capital Projects Funds</u>			Total
	General Capital Projects	Highway Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 98,481
Vending Machine Collections	0	0	0	67
Tourism Fees	0	0	0	11,550
Electronic Citation Fee	0	0	0	448
Special Commissioner Fees/Special Master Fees	0	0	0	12,930
Data Processing Fee - Register	0	0	0	20,046
Data Processing Fee - Sheriff	0	0	0	11,527
Sexual Offender Registration Fee - Sheriff	0	0	0	5,550
Data Processing Fee - County Clerk	0	0	0	6,595
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	4,725
<u>Education Charges</u>				
Community Service Fees - Adults	0	0	0	5,216
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 347,588
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 0	\$ 483,930
Lease/Rentals	0	0	2,703	58,231
Sale of Materials and Supplies	0	0	0	11,586
Commissary Sales	0	0	0	16,352
Miscellaneous Refunds	0	0	1,345	62,460
Expenditure Credits	0	0	0	7,680
<u>Nonrecurring Items</u>				
Sale of Equipment	720	0	0	41,905
Damages Recovered from Individuals	0	0	0	540
Contributions and Gifts	0	0	0	10,350

(Continued)

Exhibit K-5

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>				
<u>Other Local Revenues</u>				
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 502,603
Total Other Local Revenues	\$ 720	\$ 0	\$ 4,048	\$ 1,195,637
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 743,889
Circuit Court Clerk	0	0	0	242,785
General Sessions Court Clerk	0	0	0	558,067
Clerk and Master	0	0	0	312,964
Juvenile Court Clerk	0	0	0	48,995
Register	0	0	0	284,440
Sheriff	0	0	0	20,642
Trustee	0	0	0	1,093,047
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 3,304,829
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 9,000
Solid Waste Grants	0	0	0	77,556
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	34,400
<u>Health and Welfare Grants</u>				
Health Department Programs	0	0	0	660,904
<u>Public Works Grants</u>				
State Aid Program	0	0	0	137,518
Litter Program	0	0	0	55,998

(Continued)

Exhibit K-5

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

	Capital Projects Funds			Total
	General Capital Projects	Highway Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
Income Tax	\$ 0	\$ 0	\$ 0	\$ 50,888
Beer Tax	0	0	0	18,175
Vehicle Certificate of Title Fees	0	0	0	12,234
Alcoholic Beverage Tax	0	0	0	104,799
State Revenue Sharing - T.V.A.	0	136,000	0	981,718
State Revenue Sharing - Telecommunications	0	0	0	56,321
Contracted Prisoner Boarding	0	0	0	882,826
Gasoline and Motor Fuel Tax	0	0	0	2,258,406
Petroleum Special Tax	0	0	0	56,410
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	51,750	0	0	201,950
Other State Revenues	0	0	0	58,473
Total State of Tennessee	\$ 51,750	\$ 136,000	\$ 0	\$ 5,672,740
<u>Federal Government</u>				
<u>Federal Through State</u>				
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 29,200
Homeland Security Grants	0	0	0	33,664
COVID-19 Grant #2	0	0	0	3,542
COVID-19 Grant #3	0	0	0	7,432
COVID-19 Grant #4	0	0	0	1,286
Other Federal through State	12,781	0	0	20,063
<u>Direct Federal Revenue</u>				
Other Direct Federal Revenue	0	0	0	76,470
Total Federal Government	\$ 12,781	\$ 0	\$ 0	\$ 171,657

(Continued)

Exhibit K-5

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

	<u>Capital Projects Funds</u>			
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 0	\$ 0	\$ 56,119
Contracted Services	0	0	0	75,521
<u>Citizens Groups</u>				
Donations	0	0	0	10,667
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 142,307</u>
Total	<u>\$ 65,251</u>	<u>\$ 136,000</u>	<u>\$ 4,048</u>	<u>\$ 33,054,485</u>

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 12,135,328	\$ 0	\$ 0	\$ 0	\$ 12,135,328
Trustee's Collections - Prior Year	351,502	0	0	0	351,502
Trustee's Collections - Bankruptcy	2,645	0	0	0	2,645
Circuit Clerk/Clerk and Master Collections - Prior Years	163,841	0	0	0	163,841
Interest and Penalty	176,626	0	0	0	176,626
Payments in-Lieu-of Taxes - T.V.A.	1,092	0	0	0	1,092
Payments in-Lieu-of Taxes - Local Utilities	194,239	0	0	0	194,239
Payments in-Lieu-of Taxes - Other	5,095	0	0	0	5,095
<u>County Local Option Taxes</u>					
Local Option Sales Tax	14,760,328	0	0	0	14,760,328
Mixed Drink Tax	71,138	0	0	0	71,138
<u>Statutory Local Taxes</u>					
Bank Excise Tax	86,429	0	0	0	86,429
Total Local Taxes	\$ 27,948,263	\$ 0	\$ 0	\$ 0	\$ 27,948,263
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 144,000	\$ 0	\$ 0	\$ 0	\$ 144,000
Tuition - Other	251,118	0	0	0	251,118
Lunch Payments - Children	0	0	816,103	0	816,103
Lunch Payments - Adults	0	0	88,324	0	88,324
A la Carte Sales	0	0	73,483	0	73,483
Receipts from Individual Schools	173,614	0	0	0	173,614
Other Charges for Services	102,717	0	28,316	0	131,033
Total Charges for Current Services	\$ 671,449	\$ 0	\$ 1,006,226	\$ 0	\$ 1,677,675

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 12,656	\$ 0	\$ 45,680	\$ 0	\$ 58,336
Lease/Rentals	400	0	0	0	400
Sale of Materials and Supplies	2,129	0	0	0	2,129
E-Rate Funding	5,877	0	0	0	5,877
Miscellaneous Refunds	9,396	0	0	0	9,396
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	2,106	0	0	0	2,106
Contributions and Gifts	125,625	0	4,241	10,400,000	10,529,866
<u>Other Local Revenues</u>					
Other Local Revenues	1,164	0	0	0	1,164
Total Other Local Revenues	\$ 159,353	\$ 0	\$ 49,921	\$ 10,400,000	\$ 10,609,274
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 512,388	\$ 0	\$ 0	\$ 0	\$ 512,388
<u>State Education Funds</u>					
Basic Education Program	55,905,455	0	0	0	55,905,455
Early Childhood Education	651,747	0	0	0	651,747
School Food Service	0	0	60,255	0	60,255
Coordinated School Health	99,756	0	0	0	99,756
Family Resource Centers	59,223	0	0	0	59,223
Career Ladder Program	117,457	0	0	0	117,457
<u>Other State Revenues</u>					
Other State Grants	198,401	0	0	0	198,401
Total State of Tennessee	\$ 57,544,427	\$ 0	\$ 60,255	\$ 0	\$ 57,604,682

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects		
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,732,617	\$ 0	\$ 2,732,617	
USDA - Commodities	0	0	427,306	0	427,306	
Breakfast	0	0	1,078,118	0	1,078,118	
USDA - Other	0	0	837,191	0	837,191	
Vocational Education - Basic Grants to States	0	203,733	0	0	203,733	
Other Vocational	40,244	0	0	0	40,244	
Title I Grants to Local Education Agencies	0	2,861,590	0	0	2,861,590	
Special Education - Grants to States	22,477	2,339,845	0	0	2,362,322	
Special Education Preschool Grants	0	64,574	0	0	64,574	
English Language Acquisition Grants	0	136,354	0	0	136,354	
Education for Homeless Children and Youth	0	67,657	0	0	67,657	
Eisenhower Professional Development State Grants	0	505,303	0	0	505,303	
Other Federal through State	0	130,678	3,000	0	133,678	
Total Federal Government	\$ 62,721	\$ 6,309,734	\$ 5,078,232	\$ 0	\$ 11,450,687	
Total	\$ 86,386,213	\$ 6,309,734	\$ 6,194,634	\$ 10,400,000	\$ 109,290,581	

Exhibit K-7

Hamblen County, 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	\$	70,894	
Pensions		2,444	
Life Insurance		358	
Medical Insurance		56,568	
Employer Medicare		859	
Audit Services		23,767	
Contracts with Private Agencies		1,425	
Dues and Memberships		4,244	
Pauper Burials		1,810	
Travel		759	
Other Contracted Services		6,250	
Office Supplies		994	
Other Charges		4,265	
Total County Commission			\$ 174,637

Board of Equalization

Board and Committee Members Fees	\$	1,665	
Total Board of Equalization			1,665

County Mayor/Executive

County Official/Administrative Officer	\$	104,175	
Assistant(s)		39,146	
Social Security		8,363	
Pensions		9,912	
Life Insurance		54	
Medical Insurance		22,226	
Employer Medicare		1,956	
Communication		2,460	
Dues and Memberships		2,140	
Postal Charges		3,921	
Rentals		6,441	
Travel		3,710	
Office Supplies		1,046	
Other Charges		25,927	
Total County Mayor/Executive			231,477

County Attorney

Other Salaries and Wages	\$	1,200	
Social Security		74	
Employer Medicare		18	
Legal Services		23,643	
Total County Attorney			24,935

Election Commission

County Official/Administrative Officer	\$	78,934	
Assistant(s)		33,354	
Deputy(ies)		29,385	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Longevity Pay	\$	1,950	
Overtime Pay		198	
Election Commission		11,800	
Election Workers		16,562	
Social Security		9,370	
Pensions		9,938	
Life Insurance		81	
Medical Insurance		25,699	
Employer Medicare		2,192	
Communication		368	
Contracts with Private Agencies		7,940	
Dues and Memberships		400	
Legal Notices, Recording, and Court Costs		6,822	
Maintenance Agreements		21,945	
Postal Charges		3,549	
Printing, Stationery, and Forms		4,360	
Rentals		1,409	
Travel		1,462	
Office Supplies		7,582	
Office Equipment		11,490	
Total Election Commission			\$ 286,790

Register of Deeds

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		115,309	
Part-time Personnel		31,903	
Longevity Pay		4,650	
Social Security		14,411	
Pensions		13,316	
Life Insurance		108	
Medical Insurance		29,866	
Employer Medicare		3,370	
Communication		25	
Dues and Memberships		858	
Postal Charges		576	
Travel		694	
Office Supplies		4,694	
Data Processing Equipment		19,022	
Total Register of Deeds			326,507

Planning

County Official/Administrative Officer	\$	45,451	
Deputy(ies)		40,562	
Secretary(ies)		27,115	
Longevity Pay		2,100	
Board and Committee Members Fees		14,400	
Social Security		7,642	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Pensions	\$	7,973	
Life Insurance		81	
Medical Insurance		25,805	
Employer Medicare		1,787	
Communication		1,419	
Contracts with Private Agencies		16,860	
Dues and Memberships		174	
Legal Services		1,833	
Legal Notices, Recording, and Court Costs		1,000	
Maintenance Agreements		1,000	
Maintenance and Repair Services - Vehicles		1,445	
Postal Charges		603	
Printing, Stationery, and Forms		521	
Rentals		1,185	
Gasoline		971	
Office Supplies		4,176	
Refunds		150	
In Service/Staff Development		710	
Total Planning			\$ 204,963

Codes Compliance

Deputy(ies)	\$	39,288	
Social Security		2,414	
Pensions		2,750	
Life Insurance		25	
Medical Insurance		5,730	
Employer Medicare		565	
Legal Services		2,350	
Other Contracted Services		1,000	
Office Supplies		343	
Uniforms		212	
Total Codes Compliance			54,677

Geographical Information Systems

Deputy(ies)	\$	39,146	
Social Security		2,409	
Pensions		2,707	
Life Insurance		27	
Medical Insurance		6,251	
Employer Medicare		564	
Contracts with Government Agencies		32,468	
Postal Charges		8	
Data Processing Equipment		1,003	
Total Geographical Information Systems			84,583

Other Facilities

Supervisor/Director	\$	39,634	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Custodial Personnel	\$	79,451	
Maintenance Personnel		70,967	
Part-time Personnel		20,784	
Longevity Pay		5,100	
Overtime Pay		9,295	
Social Security		12,938	
Pensions		14,151	
Life Insurance		162	
Medical Insurance		61,932	
Employer Medicare		3,026	
Communication		26,191	
Maintenance Agreements		39,191	
Maintenance and Repair Services - Buildings		33,640	
Maintenance and Repair Services - Equipment		1,259	
Maintenance and Repair Services - Vehicles		2,414	
Pest Control		4,292	
Other Contracted Services		629	
Custodial Supplies		29,608	
Electricity		328,268	
Gasoline		3,757	
Natural Gas		23,399	
Uniforms		2,718	
Maintenance Equipment		2,361	
Total Other Facilities			\$ 815,167

Preservation of Records

Supervisor/Director	\$	13,489	
Social Security		836	
Employer Medicare		196	
Postal Charges		6	
Rentals		1,409	
Office Supplies		2,953	
Total Preservation of Records			18,889

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	85,696	
Accountants/Bookkeepers		198,167	
Longevity Pay		1,200	
Social Security		16,862	
Pensions		19,643	
Life Insurance		162	
Medical Insurance		64,479	
Employer Medicare		3,944	
Contracts with Private Agencies		4,106	
Dues and Memberships		933	
Maintenance Agreements		16,071	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Printing, Stationery, and Forms	\$	1,095	
Travel		1,117	
Office Supplies		4,626	
In Service/Staff Development		3,228	
Total Accounting and Budgeting			\$ 421,329

Purchasing

Purchasing Personnel	\$	28,856	
Longevity Pay		300	
Social Security		1,601	
Pensions		2,017	
Life Insurance		27	
Medical Insurance		6,251	
Employer Medicare		374	
Advertising		1,499	
Printing, Stationery, and Forms		495	
Office Supplies		286	
Total Purchasing			41,706

Property Assessor's Office

County Official/Administrative Officer	\$	89,737	
Deputy(ies)		107,129	
Data Processing Personnel		39,986	
Longevity Pay		4,725	
Social Security		14,340	
Pensions		16,713	
Life Insurance		135	
Medical Insurance		39,580	
Employer Medicare		3,354	
Communication		38	
Contracts with Government Agencies		17,449	
Dues and Memberships		1,350	
Maintenance and Repair Services - Office Equipment		3,468	
Maintenance and Repair Services - Vehicles		1,078	
Postal Charges		4,906	
Printing, Stationery, and Forms		464	
Travel		132	
Data Processing Supplies		211	
Gasoline		1,036	
Office Supplies		1,589	
Data Processing Equipment		676	
Office Equipment		164	
Total Property Assessor's Office			348,260

Reappraisal Program

Deputy(ies)	\$	35,994	
Longevity Pay		1,500	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Social Security	\$	2,144	
Pensions		2,595	
Life Insurance		27	
Medical Insurance		11,113	
Employer Medicare		501	
Contracts with Government Agencies		5,977	
Contracts with Private Agencies		67,935	
Legal Services		161	
Postal Charges		15,691	
Rentals		1,412	
Office Supplies		800	
Total Reappraisal Program			\$ 145,850

County Trustee's Office

County Official/Administrative Officer	\$	85,737	
Deputy(ies)		101,881	
Part-time Personnel		19,428	
Longevity Pay		1,650	
Overtime Pay		1,127	
Social Security		12,468	
Pensions		13,148	
Life Insurance		115	
Medical Insurance		40,120	
Employer Medicare		2,916	
Communication		100	
Dues and Memberships		928	
Legal Notices, Recording, and Court Costs		475	
Maintenance Agreements		30,276	
Maintenance and Repair Services - Buildings		2,667	
Postal Charges		9,489	
Printing, Stationery, and Forms		10,956	
Rentals		1,409	
Travel		150	
Office Supplies		2,948	
Premiums on Corporate Surety Bonds		3,648	
Office Equipment		3,343	
Total County Trustee's Office			344,979

County Clerk's Office

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		315,846	
Part-time Personnel		2,076	
Longevity Pay		10,575	
Social Security		24,755	
Pensions		28,747	
Life Insurance		294	
Medical Insurance		75,310	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Employer Medicare	\$	5,789	
Communication		1,777	
Dues and Memberships		1,333	
Maintenance Agreements		20,234	
Postal Charges		23,264	
Printing, Stationery, and Forms		1,492	
Rentals		1,773	
Travel		1,968	
Office Supplies		6,594	
Data Processing Equipment		22,400	
Total County Clerk's Office	\$		631,932

Data Processing

Supervisor/Director	\$	41,670	
Longevity Pay		1,050	
Social Security		2,343	
Pensions		2,956	
Life Insurance		27	
Medical Insurance		16,091	
Employer Medicare		548	
Communication		328	
Contracts with Private Agencies		4,412	
Data Processing Services		7,534	
Maintenance Agreements		8,662	
Travel		4	
Data Processing Supplies		40	
Data Processing Equipment		22,251	
Total Data Processing			107,916

Other Finance

Deputy(ies)	\$	184,607	
Longevity Pay		5,475	
Social Security		11,031	
Pensions		13,152	
Life Insurance		162	
Medical Insurance		55,671	
Employer Medicare		2,580	
Communication		5,383	
Data Processing Services		1,370	
Operating Lease Payments		27,947	
Maintenance and Repair Services - Buildings		297	
Rentals		1,413	
Other Contracted Services		2,730	
Electricity		8,090	
Office Supplies		1,888	
Total Other Finance			321,796

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		388,114	
Part-time Personnel		77,097	
Longevity Pay		9,375	
Overtime Pay		429	
Other Salaries and Wages		23,105	
Jury and Witness Expense		13,403	
Social Security		35,225	
Pensions		33,486	
Life Insurance		371	
Medical Insurance		108,082	
Employer Medicare		8,238	
Communication		1,406	
Dues and Memberships		1,018	
Legal Notices, Recording, and Court Costs		315	
Maintenance Agreements		43,948	
Postal Charges		6,299	
Printing, Stationery, and Forms		7,430	
Rentals		6,815	
Travel		97	
Other Contracted Services		4,844	
Office Supplies		9,094	
Data Processing Equipment		15,305	
Office Equipment		2,278	
Total Circuit Court			\$ 883,479

General Sessions Court

Judge(s)	\$	341,742	
Other Salaries and Wages		9,557	
Social Security		17,344	
Pensions		23,948	
Life Insurance		54	
Medical Insurance		25,805	
Employer Medicare		4,949	
Communication		306	
Dues and Memberships		1,839	
Rentals		1,016	
Travel		3,521	
Other Contracted Services		1,900	
Office Supplies		1,910	
In Service/Staff Development		396	
Total General Sessions Court			434,287

Drug Court

Supervisor/Director	\$	39,472	
Deputy(ies)		46,306	
Part-time Personnel		9,546	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Longevity Pay	\$	1,125	
Social Security		5,739	
Pensions		6,097	
Life Insurance		77	
Medical Insurance		21,560	
Employer Medicare		1,342	
Communication		2,890	
Dues and Memberships		300	
Evaluation and Testing		2,429	
Maintenance and Repair Services - Vehicles		55	
Postal Charges		5	
Rentals		1,409	
Travel		2,789	
Gasoline		281	
Office Supplies		815	
Other Supplies and Materials		585	
Total Drug Court			\$ 142,822

Chancery Court

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		133,055	
Part-time Personnel		18,406	
Longevity Pay		5,325	
Social Security		14,135	
Pensions		15,642	
Life Insurance		135	
Medical Insurance		59,260	
Employer Medicare		3,306	
Communication		331	
Dues and Memberships		938	
Maintenance Agreements		20,969	
Maintenance and Repair Services - Buildings		500	
Postal Charges		11,122	
Printing, Stationery, and Forms		339	
Rentals		1,773	
Travel		1,979	
Office Supplies		3,959	
In Service/Staff Development		1,490	
Data Processing Equipment		6,318	
Total Chancery Court			386,687

Juvenile Court

Assistant(s)	\$	39,087	
Supervisor/Director		56,556	
Probation Officer(s)		33,274	
Educational Assistants		35,539	
Attendants		23,550	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Longevity Pay	\$	3,600	
Social Security		11,429	
Pensions		11,496	
Life Insurance		108	
Medical Insurance		29,866	
Employer Medicare		2,673	
Communication		545	
Contracts with Government Agencies		20,380	
Dues and Memberships		70	
Evaluation and Testing		848	
Maintenance and Repair Services - Vehicles		229	
Postal Charges		157	
Rentals		1,409	
Travel		1,648	
Other Contracted Services		3,275	
Food Supplies		803	
Gasoline		434	
Office Supplies		4,544	
In Service/Staff Development		1,445	
Total Juvenile Court			\$ 282,965

Courtroom Security

Deputy(ies)	\$	263,997	
Lieutenant(s)		42,205	
Sergeant(s)		37,164	
Salary Supplements		7,200	
Part-time Personnel		158,438	
Longevity Pay		3,450	
Overtime Pay		61,751	
Social Security		34,199	
Pensions		41,371	
Life Insurance		264	
Medical Insurance		84,069	
Employer Medicare		7,998	
Evaluation and Testing		425	
Travel		4,585	
Uniforms		4,372	
In Service/Staff Development		5,662	
Law Enforcement Equipment		13,164	
Total Courtroom Security			770,314

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	99,214	
Supervisor/Director		61,491	
Deputy(ies)		656,391	
Captain(s)		49,584	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Lieutenant(s)	\$	276,174	
Sergeant(s)		364,899	
Salary Supplements		27,200	
Clerical Personnel		148,512	
Longevity Pay		35,700	
Overtime Pay		138,653	
Social Security		108,950	
Pensions		166,504	
Life Insurance		1,099	
Medical Insurance		422,168	
Employer Medicare		25,480	
Communication		47,000	
Dues and Memberships		2,630	
Maintenance Agreements		50,884	
Maintenance and Repair Services - Vehicles		74,028	
Postal Charges		1,737	
Printing, Stationery, and Forms		4,899	
Rentals		4,243	
Towing Services		1,325	
Travel		25,550	
Other Contracted Services		3,536	
Gasoline		93,863	
Law Enforcement Supplies		10,448	
Lubricants		4,286	
Office Supplies		10,545	
Tires and Tubes		26,329	
Uniforms		5,248	
Other Supplies and Materials		6,696	
In Service/Staff Development		15,145	
Other Charges		11,964	
Law Enforcement Equipment		54,949	
Total Sheriff's Department			\$ 3,037,324

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	1,600	
Maintenance Agreements		425	
Travel		533	
Office Supplies		285	
Other Equipment		115	
Total Administration of the Sexual Offender Registry			2,958

Jail

Captain(s)	\$	43,826	
Lieutenant(s)		78,433	
Sergeant(s)		138,645	
Guards		1,350,734	
Cafeteria Personnel		86,240	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Longevity Pay	\$	15,150	
Overtime Pay		92,723	
Social Security		106,586	
Pensions		124,563	
Life Insurance		1,361	
Medical Insurance		452,923	
Employer Medicare		24,927	
Evaluation and Testing		2,077	
Maintenance Agreements		47,409	
Maintenance and Repair Services - Buildings		59,496	
Maintenance and Repair Services - Equipment		14,110	
Medical and Dental Services		927,640	
Rentals		1,773	
Travel		3,557	
Custodial Supplies		76,884	
Drugs and Medical Supplies		49,019	
Food Supplies		384,585	
Office Supplies		8,641	
Prisoners Clothing		10,419	
Uniforms		14,732	
In Service/Staff Development		1,600	
Other Charges		10,773	
Food Service Equipment		5,387	
Law Enforcement Equipment		12,668	
Other Equipment		7,076	
Total Jail			\$ 4,153,957

Workhouse

Guards	\$	47,490	
Longevity Pay		375	
Social Security		2,760	
Pensions		3,326	
Life Insurance		42	
Medical Insurance		14,967	
Employer Medicare		645	
Total Workhouse			69,605

Work Release Program

Supervisor/Director	\$	43,804	
Laborers		45,958	
Secretary(ies)		32,624	
Longevity Pay		5,100	
Other Salaries and Wages		1,056	
Social Security		7,536	
Pensions		8,895	
Life Insurance		108	
Medical Insurance		28,593	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Work Release Program (Cont.)

Employer Medicare	\$	1,762	
Communication		1,116	
Maintenance and Repair Services - Vehicles		962	
Postal Charges		21	
Printing, Stationery, and Forms		205	
Other Contracted Services		108,010	
Gasoline		2,135	
Office Supplies		653	
Testing		32	
Other Supplies and Materials		3,471	
In Service/Staff Development		68	
Total Work Release Program			\$ 292,109

Fire Prevention and Control

Contributions	\$	220,000	
Total Fire Prevention and Control			220,000

Civil Defense

Supervisor/Director	\$	48,087	
Part-time Personnel		18,399	
Longevity Pay		600	
Social Security		4,155	
Pensions		3,373	
Life Insurance		27	
Medical Insurance		6,251	
Employer Medicare		972	
Communication		672	
Evaluation and Testing		84	
Maintenance and Repair Services - Vehicles		1,997	
Postal Charges		64	
Travel		711	
Gasoline		3,632	
Office Supplies		350	
Uniforms		655	
Other Charges		2,805	
Communication Equipment		702	
Total Civil Defense			93,536

Other Emergency Management

Contributions	\$	189,133	
Total Other Emergency Management			189,133

Inspection and Regulation

Board and Committee Members Fees	\$	3,600	
Social Security		223	
Employer Medicare		52	
Evaluation and Testing		631	
Total Inspection and Regulation			4,506

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Communication	\$	910	
Contracts with Private Agencies		123,750	
Other Contracted Services		14,553	
Office Supplies		1,426	
Total County Coroner/Medical Examiner			\$ 140,639

Other Public Safety

Other Equipment	\$	19,850	
Total Other Public Safety			19,850

Public Health and Welfare

Local Health Center

Clerical Personnel	\$	431,505	
Longevity Pay		8,475	
Social Security		25,091	
Pensions		29,145	
Life Insurance		375	
Medical Insurance		129,951	
Employer Medicare		5,868	
Contracts with Government Agencies		62,985	
Travel		2,175	
Other Contracted Services		20,550	
Total Local Health Center			716,120

Rabies and Animal Control

Contributions	\$	150,000	
Total Rabies and Animal Control			150,000

Nursing Home

Contributions	\$	5,000	
Total Nursing Home			5,000

Alcohol and Drug Programs

Contributions	\$	5,000	
Total Alcohol and Drug Programs			5,000

Crippled Children Services

Contributions	\$	6,000	
Total Crippled Children Services			6,000

Appropriation to State

Contributions	\$	109,233	
Total Appropriation to State			109,233

Aid to Dependent Children

Contributions	\$	3,250	
Total Aid to Dependent Children			3,250

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Welfare Services

Contributions	\$ 27,125	
Total Other Local Welfare Services		\$ 27,125

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$ 11,600	
Total Adult Activities		11,600

Senior Citizens Assistance

Contributions	\$ 6,500	
Total Senior Citizens Assistance		6,500

Libraries

Contributions	\$ 293,500	
Total Libraries		293,500

Parks and Fair Boards

Supervisor/Director	\$ 43,766	
Maintenance Personnel	30,176	
Part-time Personnel	4,050	
Longevity Pay	2,550	
Overtime Pay	33,915	
Social Security	7,092	
Pensions	7,629	
Life Insurance	54	
Medical Insurance	12,502	
Employer Medicare	1,659	
Communication	2,192	
Maintenance and Repair Services - Equipment	2,989	
Maintenance and Repair Services - Vehicles	160	
Custodial Supplies	6,911	
Diesel Fuel	1,692	
Electricity	53,465	
Gasoline	2,979	
Uniforms	152	
Water and Sewer	34,674	
Other Supplies and Materials	1,750	
Liability Insurance	7,630	
Refunds	1,692	
Workers' Compensation Insurance	2,525	
Other Charges	1,420	
Other Construction	9,885	
Total Parks and Fair Boards		273,509

Other Social, Cultural, and Recreational

Contracts with Government Agencies	\$ 232,668	
Contributions	331,000	
Total Other Social, Cultural, and Recreational		563,668

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	156,429	
Communication		61	
Travel		1,422	
Office Supplies		3,219	
Total Agricultural Extension Service			\$ 161,131

Forest Service

Contributions	\$	1,000	
Total Forest Service			1,000

Soil Conservation

Secretary(ies)	\$	28,733	
Longevity Pay		1,500	
Social Security		1,597	
Pensions		2,092	
Life Insurance		27	
Medical Insurance		16,091	
Employer Medicare		373	
Total Soil Conservation			50,413

Storm Water Management

Contracts with Government Agencies	\$	3,460	
Contracts with Other Public Agencies		6,875	
Engineering Services		3,470	
Other Contracted Services		2,199	
Instructional Supplies and Materials		1,538	
Total Storm Water Management			17,542

Other Operations

Tourism

Contributions	\$	22,500	
Other Contracted Services		21,475	
Total Tourism			43,975

Industrial Development

Contributions	\$	91,000	
Contracts for Development Costs		539,729	
Other Contracted Services		100,000	
Total Industrial Development			730,729

Veterans' Services

County Official/Administrative Officer	\$	23,723	
Social Security		1,471	
Pensions		1,619	
Life Insurance		25	
Employer Medicare		344	
Communication		59	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Maintenance Agreements	\$	449	
Postal Charges		178	
Printing, Stationery, and Forms		40	
Travel		509	
Office Supplies		348	
Total Veterans' Services			\$ 28,765

Employee Benefits

Handling Charges and Administrative Costs	\$	930	
Dental Insurance		60	
Unemployment Compensation		1,767	
Other Fringe Benefits		2,200	
Liability Insurance		452,035	
Workers' Compensation Insurance		116,360	
Liability Claims		143,187	
Total Employee Benefits			716,539

COVID-19 Grant #2

Unemployment Compensation	\$	3,542	
Total COVID-19 Grant #2			3,542

COVID-19 Grant #3

Other Supplies and Materials	\$	7,432	
Total COVID-19 Grant #3			7,432

COVID-19 Grant #4

Other Supplies and Materials	\$	1,286	
Total COVID-19 Grant #4			1,286

Miscellaneous

Contracts with Other Public Agencies	\$	15,404	
Other Contracted Services		9,285	
Trustee's Commission		254,181	
Total Miscellaneous			278,870

Operation of Non-Instructional Services

Community Services

Contributions	\$	5,000	
Total Community Services			5,000

Capital Projects

General Administration Projects

Communication Equipment	\$	50,324	
Data Processing Equipment		15,864	
Heating and Air Conditioning Equipment		19,542	
Motor Vehicles		19,349	
Other Construction		30,000	
Total General Administration Projects			135,079

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects

Data Processing Equipment	\$	9,000	
Law Enforcement Equipment		50,821	
Motor Vehicles		221,704	
Total Public Safety Projects			\$ 281,525

Public Health and Welfare Projects

Building Improvements	\$	25,219	
Total Public Health and Welfare Projects			25,219

Social, Cultural, and Recreation Projects

Maintenance Equipment	\$	39,400	
Motor Vehicles		19,700	
Other Construction		13,086	
Total Social, Cultural, and Recreation Projects			72,186

Other General Government Projects

Other Contracted Services	\$	10,952	
Total Other General Government Projects			10,952

Total General Fund \$ 20,453,919

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	58,690	
Mechanic(s)		25,328	
Equipment Operators - Heavy		158,319	
Truck Drivers		205,098	
Laborers		189,102	
Longevity Pay		13,875	
Overtime Pay		24,824	
Social Security		39,172	
Handling Charges and Administrative Costs		56	
Pensions		46,564	
Life Insurance		583	
Medical Insurance		212,707	
Employer Medicare		9,161	
Other Fringe Benefits		450	
Advertising		2,988	
Maintenance and Repair Services - Equipment		118,326	
Towing Services		1,450	
Disposal Fees		956,941	
Diesel Fuel		104,408	
Gasoline		3,215	
Lubricants		9,443	
Office Supplies		389	
Small Tools		7,841	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Tires and Tubes	\$	28,292	
Uniforms		6,959	
Other Supplies and Materials		16,570	
Liability Insurance		38,206	
Trustee's Commission		35,479	
Workers' Compensation Insurance		44,119	
Building Improvements		3,721	
Motor Vehicles		285,924	
Solid Waste Equipment		21,472	
Total Sanitation Management			\$ 2,669,672

Total Solid Waste/Sanitation Fund \$ 2,669,672

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	6,000	
Social Security		372	
Pensions		630	
Employer Medicare		87	
Confidential Drug Enforcement Payments		29,870	
Dues and Memberships		994	
Rentals		11,845	
Travel		6,365	
Veterinary Services		78	
Animal Food and Supplies		806	
Electricity		7,025	
Law Enforcement Supplies		2,925	
Trustee's Commission		465	
In Service/Staff Development		1,395	
Law Enforcement Equipment		6,050	
Motor Vehicles		50,576	
Total Drug Enforcement			\$ 125,483

Total Drug Control Fund 125,483

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees	\$	12,930	
Total Chancery Court			\$ 12,930

Total Constitutional Officers - Fees Fund 12,930

(Continued)

Exhibit K-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	96,475	
Assistant(s)		39,057	
Accountants/Bookkeepers		38,440	
Longevity Pay		1,875	
Board and Committee Members Fees		18,500	
Social Security		11,730	
Pensions		9,938	
Life Insurance		81	
Medical Insurance		23,386	
Employer Medicare		2,743	
Advertising		960	
Communication		4,098	
Data Processing Services		1,620	
Dues and Memberships		3,509	
Legal Services		833	
Other Contracted Services		4,975	
Electricity		34,021	
Office Supplies		643	
Propane Gas		4,668	
Water and Sewer		901	
Liability Insurance		45,470	
Trustee's Commission		24,664	
Vehicle and Equipment Insurance		27,761	
Other Charges		18,593	
Total Administration			\$ 414,941

Highway and Bridge Maintenance

Supervisor/Director	\$	52,530
Equipment Operators		219,736
Truck Drivers		249,636
Laborers		73,044
Longevity Pay		16,950
Overtime Pay		14,261
Social Security		36,452
Pensions		43,311
Life Insurance		514
Medical Insurance		174,324
Employer Medicare		8,525
Contracts with Private Agencies		42,100
Rentals		1,828
Asphalt - Cold Mix		1,701
Asphalt - Hot Mix		222,139
Concrete		1,976
Crushed Stone		52,114
General Construction Materials		2,347
Pipe - Metal		12,888
Road Signs		3,427

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Salt	\$	9,410	
Uniforms		5,507	
Fencing		11,275	
Total Highway and Bridge Maintenance			\$ 1,255,995

Operation and Maintenance of Equipment

Supervisor/Director	\$	44,257	
Mechanic(s)		39,779	
Longevity Pay		975	
Overtime Pay		2,705	
Social Security		4,940	
Pensions		6,066	
Life Insurance		54	
Medical Insurance		29,259	
Employer Medicare		1,155	
Diesel Fuel		35,458	
Equipment Parts - Heavy		113,483	
Garage Supplies		4,581	
Gasoline		15,850	
Lubricants		1,959	
Small Tools		2,175	
Tires and Tubes		29,301	
Other Supplies and Materials		3,060	
Total Operation and Maintenance of Equipment			335,057

Employee Benefits

Handling Charges and Administrative Costs	\$	1,679	
Workers' Compensation Insurance		14,840	
Liability Claims		1,427	
Total Employee Benefits			17,946

Capital Outlay

Bridge Construction	\$	650	
Furniture and Fixtures		1,130	
Highway Equipment		175,480	
Motor Vehicles		169,829	
State Aid Projects		134,015	
Other Construction		538,715	
Total Capital Outlay			<u>1,019,819</u>

Total Highway/Public Works Fund \$ 3,043,758

General Debt Service Fund

Principal on Debt

General Government

Principal on Other Loans	\$	363,972	
Total General Government			\$ 363,972

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Highways and Streets

Principal on Bonds	\$ 319,308	
Total Highways and Streets		\$ 319,308

Education

Principal on Bonds	\$ 295,692	
Principal on Other Loans	1,809,882	
Total Education		2,105,574

Interest on Debt

General Government

Interest on Bonds	\$ 102,223	
Interest on Other Loans	139,506	
Total General Government		241,729

Highways and Streets

Interest on Bonds	\$ 19,062	
Total Highways and Streets		19,062

Education

Interest on Bonds	\$ 128,452	
Interest on Other Loans	594,821	
Total Education		723,273

Other Debt Service

General Government

Trustee's Commission	\$ 101,667	
Total General Government		101,667

Education

Other Debt Service	\$ 14,486	
Total Education		14,486

Total General Debt Service Fund		\$ 3,889,071
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General Capital Projects Fund

Capital Projects

Social, Cultural, and Recreation Projects

Other Equipment	\$ 20,720	
Total Social, Cultural, and Recreation Projects		\$ 20,720

Education Capital Projects

Engineering Services	\$ 12,763	
Total Education Capital Projects		12,763

Total General Capital Projects Fund		33,483
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(Continued)

Exhibit K-7

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

<u>Highway Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Highway and Street Capital Projects</u>		
Highway Equipment	\$ 85,556	
Total Highway and Street Capital Projects		<u>\$ 85,556</u>
Total Highway Capital Projects Fund		\$ 85,556
 <u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Architects	\$ 710,901	
Travel	572	
Other Contracted Services	35,240	
Underwriter's Discount	220,730	
Other Debt Issuance Charges	183,395	
Building Improvements	1,100	
Land	<u>980,665</u>	
Total Public Safety Projects		\$ 2,132,603
 <u>Education Capital Projects</u>		
Contributions	<u>\$ 10,400,000</u>	
Total Education Capital Projects		<u>10,400,000</u>
Total Other Capital Projects Fund		<u>12,532,603</u>
Total Governmental Funds - Primary Government		<u>\$ 42,846,475</u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 28,346,714	
Career Ladder Program	102,000	
Salary Supplements	536,831	
Educational Assistants	1,350,613	
Other Salaries and Wages	18,224	
Certified Substitute Teachers	385,832	
Non-certified Substitute Teachers	10,719	
Social Security	1,783,006	
Pensions	2,832,075	
Life Insurance	30,761	
Medical Insurance	5,125,035	
Unemployment Compensation	9,655	
Employer Medicare	426,045	
Other Fringe Benefits	555,001	
Other Contracted Services	92,721	
Instructional Supplies and Materials	412,698	
Textbooks - Electronic	193,230	
Textbooks - Bound	315,500	
Other Supplies and Materials	117,038	
Other Charges	116,475	
Regular Instruction Equipment	1,101,370	
Total Regular Instruction Program		\$ 43,861,543

Special Education Program

Teachers	\$ 3,718,020	
Career Ladder Program	7,495	
Educational Assistants	841,956	
Speech Pathologist	459,150	
Certified Substitute Teachers	42,280	
Non-certified Substitute Teachers	11,428	
Social Security	297,479	
Pensions	465,587	
Life Insurance	5,841	
Medical Insurance	931,256	
Unemployment Compensation	1,829	
Employer Medicare	70,097	
Instructional Supplies and Materials	35,127	
Special Education Equipment	40,498	
Total Special Education Program		6,928,043

Career and Technical Education Program

Teachers	\$ 2,555,362	
Career Ladder Program	6,000	
Certified Substitute Teachers	38,905	
Non-certified Substitute Teachers	1,575	
Social Security	152,498	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Pensions	\$	249,496	
Life Insurance		2,453	
Medical Insurance		426,834	
Unemployment Compensation		774	
Employer Medicare		35,802	
Instructional Supplies and Materials		54,009	
Other Supplies and Materials		26,346	
Other Charges		2,400	
Vocational Instruction Equipment		15,530	
Total Career and Technical Education Program	\$		3,567,984

Student Body Education Program

Other Contracted Services	\$	41,127	
Other Supplies and Materials		73,572	
Other Charges		37,383	
Total Student Body Education Program			152,082

Support Services

Attendance

Travel	\$	3,039	
Total Attendance			3,039

Health Services

Supervisor/Director	\$	53,817	
Medical Personnel		469,503	
Other Salaries and Wages		21,881	
Social Security		31,581	
Pensions		49,478	
Life Insurance		846	
Medical Insurance		150,213	
Unemployment Compensation		277	
Employer Medicare		7,381	
Travel		2,905	
Drugs and Medical Supplies		5,927	
Other Supplies and Materials		11,308	
Total Health Services			805,117

Other Student Support

Career Ladder Program	\$	500	
Guidance Personnel		1,259,145	
Other Salaries and Wages		5,988	
Social Security		68,555	
Pensions		121,815	
Life Insurance		1,076	
Medical Insurance		188,389	
Unemployment Compensation		363	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Employer Medicare	\$	17,242	
Evaluation and Testing		32,965	
Total Other Student Support			\$ 1,696,038

Regular Instruction Program

Supervisor/Director	\$	117,512	
Librarians		1,098,394	
Secretary(ies)		169,235	
Other Salaries and Wages		154,811	
In-service Training		49,843	
Social Security		91,506	
Pensions		145,330	
Life Insurance		1,459	
Medical Insurance		255,766	
Unemployment Compensation		467	
Employer Medicare		21,400	
Travel		15,535	
Other Contracted Services		80,000	
Library Books/Media		25,418	
Other Supplies and Materials		31,468	
In Service/Staff Development		39,907	
Other Charges		40,760	
Other Equipment		145,936	
Total Regular Instruction Program			2,484,747

Special Education Program

Supervisor/Director	\$	62,199	
Psychological Personnel		244,270	
Secretary(ies)		73,849	
Clerical Personnel		26,327	
Other Salaries and Wages		109,775	
Social Security		31,769	
Pensions		43,229	
Life Insurance		487	
Medical Insurance		78,263	
Unemployment Compensation		158	
Employer Medicare		7,430	
Travel		7,552	
Other Contracted Services		296,446	
Other Supplies and Materials		5,864	
In Service/Staff Development		9,873	
Total Special Education Program			997,491

Career and Technical Education Program

Supervisor/Director	\$	87,090	
Secretary(ies)		36,932	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program (Cont.)

Other Salaries and Wages	\$	58,204	
Social Security		9,652	
Pensions		18,030	
Life Insurance		151	
Medical Insurance		29,184	
Unemployment Compensation		48	
Employer Medicare		2,257	
Travel		4,901	
Total Career and Technical Education Program			\$ 246,449

Technology

Supervisor/Director	\$	85,900	
Computer Programmer(s)		55,106	
Secretary(ies)		36,400	
Other Salaries and Wages		542,924	
Social Security		42,228	
Pensions		50,423	
Life Insurance		721	
Medical Insurance		118,601	
Unemployment Compensation		226	
Employer Medicare		9,876	
Communication		90,739	
Consultants		1,133	
Internet Connectivity		146,870	
Travel		5,856	
Office Supplies		9,192	
Uniforms		6,233	
Cabling		6	
Software		196,629	
Data Processing Equipment		200,600	
Total Technology			1,599,663

Other Programs

On-behalf Payments to OPEB	\$	512,388	
Total Other Programs			512,388

Board of Education

Board and Committee Members Fees	\$	37,200	
Social Security		2,306	
Pensions		1,932	
Life Insurance		280	
Medical Insurance		16,343	
Employer Medicare		539	
Audit Services		38,500	
Dues and Memberships		16,870	
Legal Services		7,654	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Travel	\$	9,484	
Liability Insurance		173,077	
Premiums on Corporate Surety Bonds		1,739	
Trustee's Commission		511,208	
Workers' Compensation Insurance		310,685	
Other Charges		8,590	
Total Board of Education			\$ 1,136,407

Director of Schools

County Official/Administrative Officer	\$	154,530	
Assistant(s)		217,170	
Career Ladder Program		2,000	
Secretary(ies)		103,252	
Social Security		27,900	
Pensions		53,210	
Life Insurance		928	
Medical Insurance		33,804	
Unemployment Compensation		81	
Employer Medicare		7,224	
Communication		3,448	
Postal Charges		9,900	
Travel		17,036	
Other Contracted Services		6,456	
Office Supplies		9,750	
Other Charges		6,234	
Total Director of Schools			652,923

Office of the Principal

Principals	\$	1,561,876	
Career Ladder Program		14,000	
Assistant Principals		1,236,715	
Secretary(ies)		843,714	
Social Security		216,037	
Pensions		358,773	
Life Insurance		3,207	
Medical Insurance		542,762	
Unemployment Compensation		1,024	
Employer Medicare		50,524	
Communication		153,659	
Total Office of the Principal			4,982,291

Fiscal Services

Supervisor/Director	\$	93,089	
Accountants/Bookkeepers		167,739	
Social Security		14,613	
Pensions		16,920	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Life Insurance	\$	210	
Medical Insurance		31,076	
Unemployment Compensation		73	
Employer Medicare		3,695	
Travel		6,487	
Other Contracted Services		9,313	
Data Processing Supplies		3,103	
Office Supplies		3,768	
Administration Equipment		198,901	
Total Fiscal Services			\$ 548,987

Operation of Plant

Custodial Personnel	\$	1,934,638	
Other Salaries and Wages		31,706	
Social Security		113,805	
Pensions		126,805	
Life Insurance		2,844	
Medical Insurance		449,021	
Unemployment Compensation		951	
Employer Medicare		27,471	
Other Contracted Services		276,985	
Custodial Supplies		181,923	
Electricity		1,857,852	
Natural Gas		199,469	
Water and Sewer		352,372	
Other Supplies and Materials		16,502	
Other Charges		1,707	
Plant Operation Equipment		21,367	
Total Operation of Plant			5,595,418

Maintenance of Plant

Supervisor/Director	\$	61,413	
Maintenance Personnel		681,751	
Social Security		43,590	
Pensions		52,021	
Life Insurance		907	
Medical Insurance		153,259	
Unemployment Compensation		290	
Employer Medicare		10,194	
Maintenance and Repair Services - Buildings		338,695	
Maintenance and Repair Services - Equipment		82,507	
Equipment and Machinery Parts		99,025	
Uniforms		9,987	
Other Charges		903	
Maintenance Equipment		30,094	
Total Maintenance of Plant			1,564,636

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	52,445	
Mechanic(s)		207,831	
Bus Drivers		1,034,902	
Clerical Personnel		39,783	
Social Security		76,397	
Pensions		97,405	
Life Insurance		2,679	
Medical Insurance		435,513	
Unemployment Compensation		1,015	
Employer Medicare		17,915	
Contracts with Parents		793	
Maintenance and Repair Services - Vehicles		25,700	
Medical and Dental Services		5,675	
Diesel Fuel		209,451	
Garage Supplies		2,599	
Gasoline		23,110	
Lubricants		12,126	
Tires and Tubes		31,089	
Uniforms		2,233	
Vehicle Parts		169,385	
Other Supplies and Materials		6,120	
Vehicle and Equipment Insurance		127,059	
Other Charges		32,566	
Transportation Equipment		579,643	
Total Transportation			\$ 3,193,434

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	41,692	
Other Salaries and Wages		333,320	
Social Security		19,427	
Pensions		6,137	
Life Insurance		52	
Medical Insurance		7,524	
Unemployment Compensation		419	
Employer Medicare		4,543	
Travel		441	
Other Contracted Services		933	
Other Supplies and Materials		11,335	
Total Community Services			425,823

Early Childhood Education

Teachers	\$	524,041	
Educational Assistants		332,508	
Certified Substitute Teachers		7,350	
Non-certified Substitute Teachers		7,515	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Social Security	\$	46,442	
Pensions		52,041	
Life Insurance		566	
Medical Insurance		96,342	
Unemployment Compensation		393	
Employer Medicare		12,155	
Instructional Supplies and Materials		9,759	
In Service/Staff Development		2,319	
Other Charges		2,430	
Total Early Childhood Education	\$		1,093,861

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	3,767,505	
Total Regular Capital Outlay			3,767,505

Other Debt Service

Education

Other Debt Service	\$	500,000	
Total Education			500,000

Total General Purpose School Fund \$ 86,315,869

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	978,659	
Educational Assistants		413,674	
Other Salaries and Wages		50,267	
Certified Substitute Teachers		6,695	
Non-certified Substitute Teachers		255	
Social Security		78,113	
Pensions		114,827	
Life Insurance		1,604	
Medical Insurance		255,607	
Unemployment Compensation		567	
Employer Medicare		20,854	
Other Fringe Benefits		5,202	
Instructional Supplies and Materials		199,980	
Other Supplies and Materials		4,349	
Regular Instruction Equipment		227,882	
Total Regular Instruction Program	\$		2,358,535

Special Education Program

Teachers	\$	122,351	
Educational Assistants		1,485,837	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	20,012	
Social Security		92,982	
Pensions		112,370	
Life Insurance		3,223	
Medical Insurance		527,391	
Unemployment Compensation		1,077	
Employer Medicare		21,771	
Total Special Education Program			\$ 2,387,014

Career and Technical Education Program

Instructional Supplies and Materials	\$	12,896	
Other Supplies and Materials		9,621	
Vocational Instruction Equipment		147,603	
Total Career and Technical Education Program			170,120

Support Services

Health Services

Social Workers	\$	46,164	
Other Salaries and Wages		17,636	
Social Security		3,886	
Pensions		5,120	
Life Insurance		74	
Medical Insurance		14,175	
Employer Medicare		909	
Other Supplies and Materials		1,413	
In Service/Staff Development		295	
Total Health Services			89,672

Other Student Support

Other Salaries and Wages	\$	18,285	
Social Security		1,136	
Pensions		1,293	
Life Insurance		43	
Medical Insurance		5,017	
Unemployment Compensation		11	
Employer Medicare		266	
Other Fringe Benefits		298	
Travel		6,366	
Other Supplies and Materials		31,453	
In Service/Staff Development		24,077	
Total Other Student Support			88,245

Regular Instruction Program

Supervisor/Director	\$	67,226	
Other Salaries and Wages		684,411	
Certified Substitute Teachers		8,380	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Non-certified Substitute Teachers	\$	19,294	
Social Security		46,236	
Pensions		75,034	
Life Insurance		631	
Medical Insurance		110,311	
Unemployment Compensation		212	
Employer Medicare		10,887	
Other Fringe Benefits		1,119	
Travel		2,915	
Other Supplies and Materials		19,342	
In Service/Staff Development		83,973	
Total Regular Instruction Program			\$ 1,129,971

Special Education Program

Other Contracted Services	\$	4,442	
Other Supplies and Materials		8,562	
In Service/Staff Development		4,400	
Total Special Education Program			17,404

Career and Technical Education Program

In Service/Staff Development	\$	6,451	
Total Career and Technical Education Program			6,451

Transportation

Other Charges	\$	4,765	
Total Transportation			4,765

Total School Federal Projects Fund \$ 6,252,177

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	61,183	
Accountants/Bookkeepers		39,783	
Clerical Personnel		35,427	
Cafeteria Personnel		1,886,658	
Other Salaries and Wages		62,905	
In-service Training		41,182	
Social Security		126,487	
Pensions		67,631	
Life Insurance		2,198	
Medical Insurance		350,014	
Unemployment Compensation		1,692	
Employer Medicare		30,259	
Maintenance and Repair Services - Equipment		22,291	
Travel		2,545	

(Continued)

Exhibit K-8

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Other Contracted Services	\$ 339,101	
Food Preparation Supplies	19,241	
Food Supplies	1,841,439	
Office Supplies	3,049	
Uniforms	8,013	
USDA - Commodities	427,306	
Other Supplies and Materials	150,966	
In Service/Staff Development	2,414	
Other Charges	39,244	
Food Service Equipment	38,074	
Total Food Service		<u>\$ 5,599,102</u>
Total Central Cafeteria Fund		\$ 5,599,102
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Building Improvements	\$ 2,473,614	
Total Education Capital Projects		<u>\$ 2,473,614</u>
Total Education Capital Projects Fund		<u>2,473,614</u>
Total Governmental Funds - Hamblen County School Department		<u>\$ 100,640,762</u>

Exhibit K-9

Hamblen County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes
in Cash Balance - City Agency Fund
For the Year Ended June 30, 2020

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 13,514,347
Total Cash Receipts	<u>\$ 13,514,347</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 13,378,680
Trustee's Commission	135,143
Total Cash Disbursements	<u>\$ 13,513,823</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 524
Cash Balance, July 1, 2019	<u>6,654</u>
 Cash Balance, June 30, 2020	<u><u>\$ 7,178</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy 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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hamblen County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Hamblen County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 16, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hamblen County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2020-001 and 2020-002.

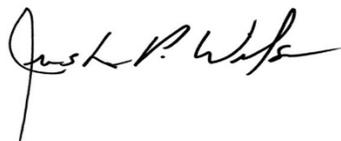
Hamblen County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2020

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy 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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Hamblen County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hamblen County's major federal programs for the year ended June 30, 2020. Hamblen County'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 Hamblen County'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 Hamblen County'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 Hamblen County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Hamblen County 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 Hamblen County'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 Hamblen County'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.

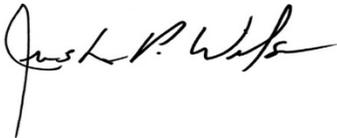
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hamblen County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Hamblen County's basic financial statements. We issued our report thereon dated December 16, 2020, 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2020

JPW/tg

Hamblen County, Tennessee, and the Hamblen County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
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:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	\$ 1,078,118 (6)
COVID 19 - School Breakfast Program	10.553	N/A	300,148 (6)
National School Lunch Program	10.555	N/A	2,787,048 (6)
COVID 19 - National School Lunch Program	10.555	N/A	482,611 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	427,306 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-20-63733	150,361
Total U.S. Department of Agriculture			<u>\$ 5,225,592</u>
U.S. Department of Justice:			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 20,688
Bulletproof Vest Partnership Program	16.607	N/A	12,080
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	13,472
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	N/A	5,445
Total U.S. Department of Justice			<u>\$ 51,685</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 3,542
Total U.S. Department of Labor			<u>\$ 3,542</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction Cluster: (5)			
Highway Planning and Construction	20.205	(4)	\$ 12,781
Total U.S. Department of Transportation			<u>\$ 12,781</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,863,692
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	2,197,136
Special Education - Preschool Grants	84.173	N/A	229,760
Career and Technical Education - Basic Grants to States	84.048	N/A	203,733
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	40,244
Education for Homeless Children and Youth	84.196	N/A	69,248
English Language Acquisition State Grants	84.365	N/A	136,354
Improving Teacher Quality State Grants	84.367	N/A	505,423
Student Support and Academic Enrichment Program	84.424	N/A	130,678
Total U.S. Department of Education			<u>\$ 6,376,268</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Commission:			
Passed-through Tennessee Secretary of State:			
2020 HAVA Election Security Grants	90.404	N/A	\$ 1,837 (6)
COVID 19 - Supplemental Election Security Grants	90.404	N/A	1,286 (6)
Total U.S. Election Commission			<u>\$ 3,123</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-20-63733	\$ 29,187
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-20-63733	33,585
Maternal and Child Health Services Block Grant to the States	93.994	GG-20-63733	49,413
Total U.S. Department of Health and Human Services			<u>\$ 112,185</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 29,200
Homeland Security Grant Program	97.067	6-27-17GG	33,664
Total U.S. Department of Homeland Security			<u>\$ 62,864</u>
Total Expenditures of Federal Grants			<u>\$ 11,848,040</u>
<u>State Grants</u>			
Health Department Programs - State Department of Health	N/A	Contract Number GG-20-63733	\$ 398,359
Material Management Convenience Centers Grant - State Department of Environment and Conservation	N/A	(4)	53,987
Material Management Education and Outreach Grant - State Department of Environment and Conservation	N/A	(4)	7,238
Used Oil Grant - State Department of Environment and Conservation	N/A	(4)	29,006
Drug Court Recovery - State Office of Criminal Justice Programs	N/A	(4)	59,969
Coordinated School Health - State Department of Education	N/A	(4)	99,756
Family Resource Center - State Department of Education	N/A	(4)	59,223
Safe Schools Act of 1998 - State Department of Education	N/A	(4)	141,758
Early Childhood Education - State Department of Education	N/A	(4)	651,747
After School Program - State Department of Human Services	N/A	(4)	48,311
Total State Grants			<u>\$ 1,549,354</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) Hamblen County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$5,075,231; Special Education Cluster total \$2,426,896; Highway Planning and Construction Cluster total \$12,781; Medicaid Cluster total \$33,585.
- (6) CFDA Totals: CFDA No. 10.553, \$1,378,266; CFDA No. 10.555, \$3,696,965; CFDA No. 90.404, \$3,123.
- (7) For the Year ended June 30, 2020, Hamblen County received donated PPE valued at \$7,432 from the Tennessee Department of Military. These donations were unaudited.

Hamblen County, 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 Hamblen County, 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
<u>OFFICE OF TRUSTEE</u>					
2019	237	2019-001	Former County Trustee did not Maintain County Funds in Interest-bearing Accounts	N/A	Corrected
2019	238	2019-002	The Former County Trustee Entered into a Contract Without the County Commission's Approval	N/A	Corrected
2019	239	2019-003	Discrepancies in the Operations of the Trustee's Office Disclosed in Investigative Report	N/A	Corrected

Prior-year Federal Awards Findings

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

HAMBLLEN COUNTY, 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 Hamblen County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
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 Number: 84.010 Title I Grants to Local
Education Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2020-001 **THE TENNESSEE DEPARTMENT OF HEALTH REPORTED QUESTIONED COSTS OF \$14,570 RELATED TO A PURCHASE OF PLAYGROUND EQUIPMENT FUNDED BY THE HEALTHY AND ACTIVE BUILT ENVIRONMENT GRANT**

(Noncompliance Under *Government Auditing Standards*)

The Tennessee Department of Health, Compliance and Ethics Office, Subrecipient Monitoring Team, conducted a desk review of the Hamblen County Government on March 17, 2020. Their report noted the following finding: "Competitive bids were not advertised and solicited for the purchase of playground equipment in the amount of \$14,570. Purchasing procedures for this county are governed by the provision of the County Purchasing Law of 1983, Section 5-14-201 *Tennessee Code Annotated (TCA)*. This statute requires competitive bids on all purchases exceeding \$10,000. Moreover, the grant contract also specifies that when practical, procurement shall be made on a competitive basis, including the use of competitive bidding procedures..."

The Hamblen County Finance Department purchased the playground equipment through a national purchasing cooperative approved by the county commission with an interlocal participation agreement as allowed by Section 12-3-1205, *TCA*.

RECOMMENDATION

All purchases made with grants funds should comply with the provisions of the grant and the purchasing laws governing the county.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding. The county has interpreted Hamblen County's purchasing policies related to purchasing with grant funds as an affirmation of the importance of competitive bidding that did not exclude purchasing from state contracts or price agreements entered into by the Tennessee Department of General Services (TDGS) or from approved in-state or out-of-state purchasing cooperatives. *Tennessee Code Annotated (TCA)*, Section 12-2-1201, explicitly authorizes counties, without public advertisement and competitive bidding, to purchase under the provisions of contracts or price agreements entered into by the TDGS. *TCA*, Section 12-3-1205, authorizes both in-state and out-of-state cooperative purchasing

agreements after such agreements are approved by the local legislative body. Items available through State of Tennessee contracts and national purchasing cooperatives have been competitively bid and therefore allow local governments to take advantage of a wide variety of competitive contracts and agreements. We believe this meets grant contract recommendations related to competitive bidding.

We will modify and amend Hamblen County's purchasing policies and procedures to explicitly and clearly permit purchases with grant funds to include purchasing from state contracts and approved purchasing cooperatives.

OFFICE OF SHERIFF

FINDING 2020-002

THE SHERIFF USED CALENDAR FUNDS TO PURCHASE A SURVEILLANCE SYSTEM FOR HIS PERSONAL RESIDENCE

(Noncompliance Under *Government Auditing Standards*)

Each year the sheriff enters into an agreement to endorse a calendar promotion. The vendor sells advertisements, produces a calendar, and pays an endorsement fee of \$7,000. The sheriff remits the fee to the county trustee, and the funds are placed in the county's General Fund. The funds are appropriated in the sheriff's department major appropriations category by the county commission in accordance with Section 5-9-401, *Tennessee Code Annotated*. During our audit, we noted that subsequent to June 30, 2020, the sheriff purchased three cellular trail cameras and accessories totaling \$892.41. These cameras were purchased to be used for surveillance at the sheriff's personal residence. This purchase appears to be a personal use of public funds.

RECOMMENDATION

All purchases made with county funds should only be used for county business. Management should monitor purchases made from this calendar funded line-item to ensure the purchases are for county purposes. If these cameras are going to be used for surveillance at his residence, the sheriff should reimburse the county \$892.41.

MANAGEMENT'S RESPONSE – SHERIFF

We concur with this finding, and Sheriff Jarnagin will reimburse the county for the surveillance cameras with the following explanation.

When I became sheriff of Hamblen County, I was made aware that there would be funds made available to the sheriff by means of the sheriff's department calendar. Therefore, I met with the mayor and requested a separate line-item for the Hamblen County Sheriff's Office be established regarding the calendar funds. Each year when the monies are received, they are remitted to the Trustee's Office to be deposited into the separate line-item for the Sheriff's Office. This money was not collected from taxpayer revenue, it was a contribution to the Sheriff's Office on behalf of the calendar company.

We have always spent the money according to the guidelines we felt were appropriate and always kept track of the money spent by purchase orders and receipts.

My response to the purchase of the "Trail Cameras" is the concern to protect me and my family while performing my duties as sheriff of Hamblen County. My wife and I live in a rural area that is surrounded by woods. Over 2,000 drug arrests have been made, and over 50 meth labs destroyed since becoming sheriff.

I have had numerous threats made on my life. The most recent was spray painted on a bathroom wall at Cherokee Park last week that states, "Kill Your Sheriff." I take these threats seriously because as of November 13, 2020, 251 officers have met their death in the line of duty this year. Trail cameras were purchased because of being cheaper and because on several occasions unknown suspects have been seen in the woods behind my house late at night, and there was no reason for this activity on my property. Proof was obtained shortly after the cameras were activated. A suspicious person was on video in the woods behind my home. On several occasions, vehicles have pulled into my driveway near my home during early hours, "like 3:13 a.m." and sat for several minutes before leaving. The cameras alert me of suspects being on my property and near my home and give me notice of potential danger to me and my wife.

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.

Hamblen County, 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
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OFFICE OF COUNTY MAYOR

2020-001	The Tennessee Department of Health Reported Questioned Costs of \$14,570 Related to a Purchase of Playground Equipment Funded by the Healthy and Active Built Environment Grant	241
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OFFICE OF SHERIFF

2020-002	The Sheriff Used Calendar Funds to Purchase a Surveillance System for his Personal Residence	242
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T E N N E S S E E
Hamblen County
 SERVICE • COMMUNITY • INDUSTRY
 OFFICE OF THE MAYOR

Corrective Action Plan

FINDING: THE TENNESSEE DEPARTMENT OF HEALTH REPORTS QUESTIONED COSTS OF \$14,570 RELATED TO A PURCHASE OF PLAYGROUND EQUIPMENT FUNDED BY THE HEALTHY AND ACTIVE BUILT ENVIROMENT GRANT

Response and Corrective Action Plan Prepared by:
 Bill Brittain, County Mayor and Anne Bryant-Hurst, Finance Director

Person Responsible for Implementing the Corrective Action:
 Anne Bryant-Hurst, Finance Director

Anticipated Completion Date of Corrective Action:
 January 31, 2021

Repeat Finding:
 No

Planned Corrective Action:

We concur with this finding. The County has interpreted the Hamblen County’s purchasing policies related to purchasing with grant funds as an affirmation of the importance of competitive bidding that did not exclude purchasing from state contracts or price agreements entered into by the Tennessee Department of General Services (TDGS) or from approved in-state or out-of-state purchasing cooperatives. Tennessee Code Annotated (TCA) 12-3-1201 explicitly authorizes counties, without public advertisement and competitive bidding, to purchase under the provisions of contracts or price agreements entered into by the TDGS. TCA 12-3-1205 authorizes both in-state and out-of-state cooperative purchasing agreements after such agreements are approved by the local legislative body. Items available through State of Tennessee contracts and national purchasing cooperatives have been competitively bid and therefore allow local governments to take advantage of a wide variety of competitive contracts and agreements. We believe this meets grant contract recommendations related to competitive bidding.

We will modify and amend the Hamblen County Purchasing Policies and Procedures to explicitly and clearly permit purchases with grant funds to include purchasing from state contracts and approved purchasing cooperatives.

Signature: 

Signature: 

Bill Brittain, County Mayor

511 West Second North Street • Morristown, TN 37814 • office. 423.586.1931 • fax. 423.585.4699

www.HamblenCountyTN.gov • email. bbrittain@co.hamblen.tn.us

Esco R. Jarnagin
Sheriff



Wayne Mize
Chief Deputy

Sheriff of Hamblen County

510 Allison Street
Morristown, Tennessee 37814

Corrective Action Plan

FINDING: THE SHERIFF USED COUNTY FUNDS TO PURCHASE A SURVEILLANCE SYSTEM FOR HIS PERSONAL RESIDENCE
(Noncompliance Under Government Auditing Standards)

Response and Corrective Action Plan Prepared by:
Esco R. Jarnagin, Sheriff

Person Responsible for Implementing the Corrective Action:
Esco R. Jarnagin, Sheriff

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

Planned Corrective Action:

Sheriff Jarnagin will reimburse the county for the surveillance cameras. The Hamblen County Sheriff's Office will continue to diligently adhere to the guidelines for purchases made by the Sheriff and the Hamblen County Sheriff's Office

Signature: *Esco R. Jarnagin*

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 Hamblen County.

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

Hamblen County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. 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 Hamblen County. 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.