



ANNUAL FINANCIAL REPORT

Hamblen County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF
LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT
HAMBLLEN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2021

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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, 2021

Scope

We have audited the basic financial statements of Hamblen County as of and for the year ended June 30, 2021.

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Hamblen County Officials

June 30, 2021

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 Jones-Terry, Clerk and Master
Jim Clawson, Register of Deeds
Esco Jarnagin, Sheriff
Anne Bryant-Hurst, Finance Director

Board of County Commissioners

Howard Shipley, Chairman
Jeff Akard
Eileen Arnwine
Chris Cutshaw
Randy DeBord
Thomas Doty
Tim Goins

Bobby Haun
Tim Horner
Joe Huntsman, Sr.
Wayne NeSmith
Mike Reed
Jim Stepp
Taylor Ward

Board of Highway Commissioners

Delbert Nix, Chairman
Charles Anderson
Dannie Bell
Larry Carter

Gail Free
Dr. Arthur Tom Hyde
Wayne Pigmon

Board of Education

Dr. Joe Gibson, Jr., Chairman
Dr. Shahin Assadnia
Carolyn Holt Clawson
Roger Greene

James Grigsby
Janice Haun
Clyde Kinder

Audit Committee

Randy DeBord, Chairman
Jeff Akard
Eileen Arnwine
Chris Cutshaw
Thomas Doty
Tim Goins
Bobby Haun

Tim Horner
Joe Huntsman, Sr.
Wayne NeSmith
Mike Reed
Howard Shipley
Jim Stepp
Taylor Ward

FINANCIAL SECTION



JASON E. MUMPOWER
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, 2021, 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 did not audit the financial statements of the Internal School Fund of the Hamblen County School Department (a discretely presented component unit), which represent 2.19 percent, 3.18 percent, and 3.04 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those amounts were audited by other auditors whose report has been furnished to us. Our opinion, insofar as it relates to amounts attributable to the Hamblen County School Department's Internal School Fund, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, 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, 2021, 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.

Change in Accounting Principle

As described in Note V.B., Hamblen County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB 84 defines what is meant by fiduciary activities. It establishes the four types of fiduciary funds for reporting purposes. In addition, GASB 84 changes the title of "Agency" Funds to "Custodial" Funds and requires that Custodial Funds, unlike Agency Funds, should present fund net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.10., to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$2,577,835 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Hamblen County School Department's beginning net position totaling \$2,178,141 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 (asset), 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 by us and by other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other

auditors, 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 22, 2021, 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 22, 2021

JEM/tg



**HAMBLEN COUNTY, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021**

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, 2021. 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 \$24.2 million (net position). However, it should be noted that the financial statements of Hamblen County included debt totaling approximately \$19.8 million attributed to the Hamblen County Board of Education. This debt is a liability of Hamblen County, but the capital assets acquired are reported in the financial statements of the school department. The discretely presented Hamblen County School Department's assets and deferred outflows exceeded its liabilities and deferred inflows of resources by approximately \$77.3 million at June 30, 2021.
- The primary government's total net position increased by approximately \$11.2 million. The increase in the primary government's total net position was due to both an increase in assets as well as a decrease in liabilities. Primary contributors to the increase in assets were an increase Equity in Pooled Cash and Investments resulting in part from CARES Act funding as well as increased property tax revenues. In addition, liabilities decreased by \$5.9 million led by the reduction in funds held for improvements for West High School and reductions in long-term debt. The discretely presented Hamblen County School Department's net position increased by approximately \$10.7 million. The increase of the discretely presented Hamblen County School Department's total net position was primarily due to an increase in capital assets related to the improvements for West High School as well as an increase in net position from Hamblen County School Department's

governmental activities. In addition, beginning net position increased by approximately \$2.2 million related to the implementation of GASB Statement 84.

- As of the close of the fiscal year, total Hamblen County's Governmental funds reported approximately \$31.6 million in total combined fund balances; this is an approximate increase of \$5.8 million from the previous period. Of this amount, approximately \$10.1 million represents funds that are available for spending (assigned and unassigned). The discretely presented Hamblen County School Department's governmental funds reported approximately \$25.9 million in total combined fund balances; this is a decrease of approximately \$0.5 million from the previous period. Of this amount, approximately \$15.7 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 \$8.7 million or 42.8 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 \$9.4 million or 10.6 percent of the fund's annual budgetary expenditures (including other uses).
- The total debt (bonds and other loans) of Hamblen County, Tennessee, decreased by approximately \$2.5 million during the current fiscal year. Approximately \$2.9 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 ten 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, Other Capital Projects, and Other Capital Projects-ARP 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 five individual governmental funds. The General Purpose School Fund and the Central Cafeteria Fund 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, Central Cafeteria, and School Federal Projects 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). 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, 2021, by \$24,152,058. 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 \$19,846,275. 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, 2021, by \$77,331,565.

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, \$16,803,651 and \$62,519,154 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 \$8,919,865 and \$18,430,232 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, 2021, 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	
		2021	2020
Current and Other Assets		\$ 61,850,606	\$ 57,263,304
Capital Assets		22,828,116	20,484,898
Total Assets		\$ 84,678,722	\$ 77,748,202
Total Deferred Outflows of Resources		\$ 1,745,070	\$ 1,855,454
Long-term Liabilities Outstanding		\$ 30,692,667	\$ 33,438,255
Other Liabilities		11,957,359	15,128,638
Total Liabilities		\$ 42,650,026	\$ 48,566,893
Total Deferred Inflows of Resources		\$ 19,621,708	\$ 18,057,012
Net Position:			
Net Investment in Capital Assets		\$ 16,803,651	\$ 15,902,067
Restricted		8,919,865	6,253,823
Unrestricted		(1,571,458)	(9,176,139)
Total Net Position		\$ 24,152,058	\$ 12,979,751
		Hamblen County School Department	
		Governmental Activities	
		2021	2020
Current and Other Assets		\$ 49,947,368	\$ 55,313,042
Capital Assets		62,519,154	56,160,032
Total Assets		\$ 112,466,522	\$ 111,473,074
Other Deferred Outflows		\$ 10,489,492	\$ 8,484,128
Long-term Liabilities Outstanding		\$ 16,418,226	\$ 15,621,646
Other Liabilities		1,467,350	2,296,517
Total Liabilities		\$ 17,885,576	\$ 17,918,163
Total Deferred Inflows of Resources		\$ 27,738,873	\$ 35,426,363
Net Position:			
Net Investment in Capital Assets		\$ 62,519,154	\$ 56,160,032
Restricted		18,430,232	25,597,950
Unrestricted		(3,617,821)	(15,145,306)
Total Net Position		\$ 77,331,565	\$ 66,612,676

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	
	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 6,213,316	\$ 5,462,878
Operating Grants and Contributions	4,453,419	3,288,814
Capital Grants and Contributions	2,569,243	509,048
General Revenues:		
Property Taxes	18,152,614	16,752,536
Sales Taxes	1,762,521	1,150,221
Other Taxes	3,362,627	3,237,282
Grants and Contributions Not Restricted to Specific Programs	2,155,142	2,055,210
Unrestricted Investment Income	271,557	483,930
Miscellaneous	182,234	112,990
Total Revenues	\$ 39,122,673	\$ 33,052,909
Expenses:		
General Government	\$ 3,334,091	\$ 3,384,365
Finance	2,992,297	3,082,207
Administration of Justice	2,967,963	2,997,698
Public Safety	8,440,233	9,132,857
Public Health and Welfare	3,906,876	3,677,195
Social, Cultural, and Recreational Services	1,267,155	1,309,528
Agriculture and Natural Resources	234,574	229,609
Highways	3,673,664	2,963,228

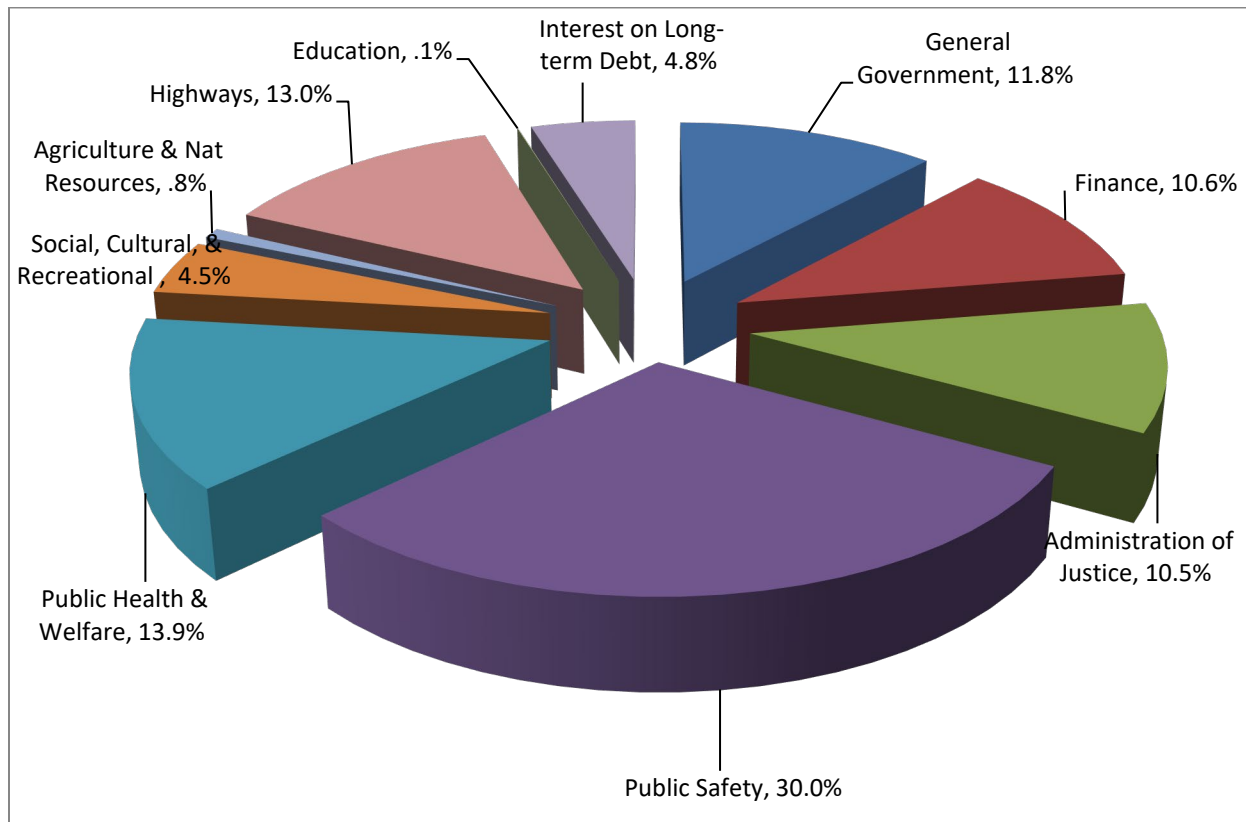
**Hamblen County's and the Discretely Presented Hamblen County School
Department's Changes in Net Position (Cont.)**

	Hamblen County Primary Government Governmental Activities	
	2021	2020
Education	\$ 8,750	\$ 10,417,763
Interest	1,344,264	1,192,604
Total Expenses	\$ 28,169,867	\$ 38,387,054
Change in Fair Value of Derivatives - Interest Rate Swap	\$ 219,501	\$ 216,950
Increase (Decrease) in Net Position	\$ 11,172,307	\$ (5,117,195)
Net Position, July 1	12,979,751	18,096,946
Net Position, June 30	\$ 24,152,058	\$ 12,979,751
	Hamblen County School Department Governmental Activities	
	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 640,838	\$ 1,678,075
Operating Grants and Contributions	20,199,637	9,612,328
Capital Grants and Contributions	428,352	10,529,866
General Revenues:		
Property Taxes	13,566,987	12,951,021
Sales Taxes	17,028,985	14,907,889
Other Taxes	70,300	71,138
Grants and Contributions Not Restricted to Specific Programs	60,063,430	58,862,572
Unrestricted Investment Income	19,854	45,680
Gain on Investments	124,544	12,656
Miscellaneous	42,238	4,756
Gain on Disposal of Assets	42,285	0
Total Revenues	\$ 112,227,450	\$ 108,675,981
Expenses:		
Education	\$ 103,686,702	\$ 91,962,211
Total Expenses	\$ 103,686,702	\$ 91,962,211
Increase (Decrease) in Net Position	\$ 8,540,748	\$ 16,713,770
Net Position, July 1	66,612,676	49,898,906
Restatement (See Note I.D.10)	2,178,141	0
Net Position, June 30	\$ 77,331,565	\$ 66,612,676

Governmental Program Expense

The following illustration shows expenses from governmental activities as presented in Exhibit B before they are offset by direct program revenues. Public Safety expenses of \$8,440,233 Public Health and Welfare expenses of \$3,906,876, Highway expenses of \$3,673,664 and General Government expenses of \$3,334,091 are the largest categories of expenses of Hamblen County, which when combined total \$19,354,864 and are 68.7 percent of total expenses. Note that Education expenses are significantly lower than the prior year due to the prior year's appropriation for the Hamblen County Board of Education for improvements to West High School.

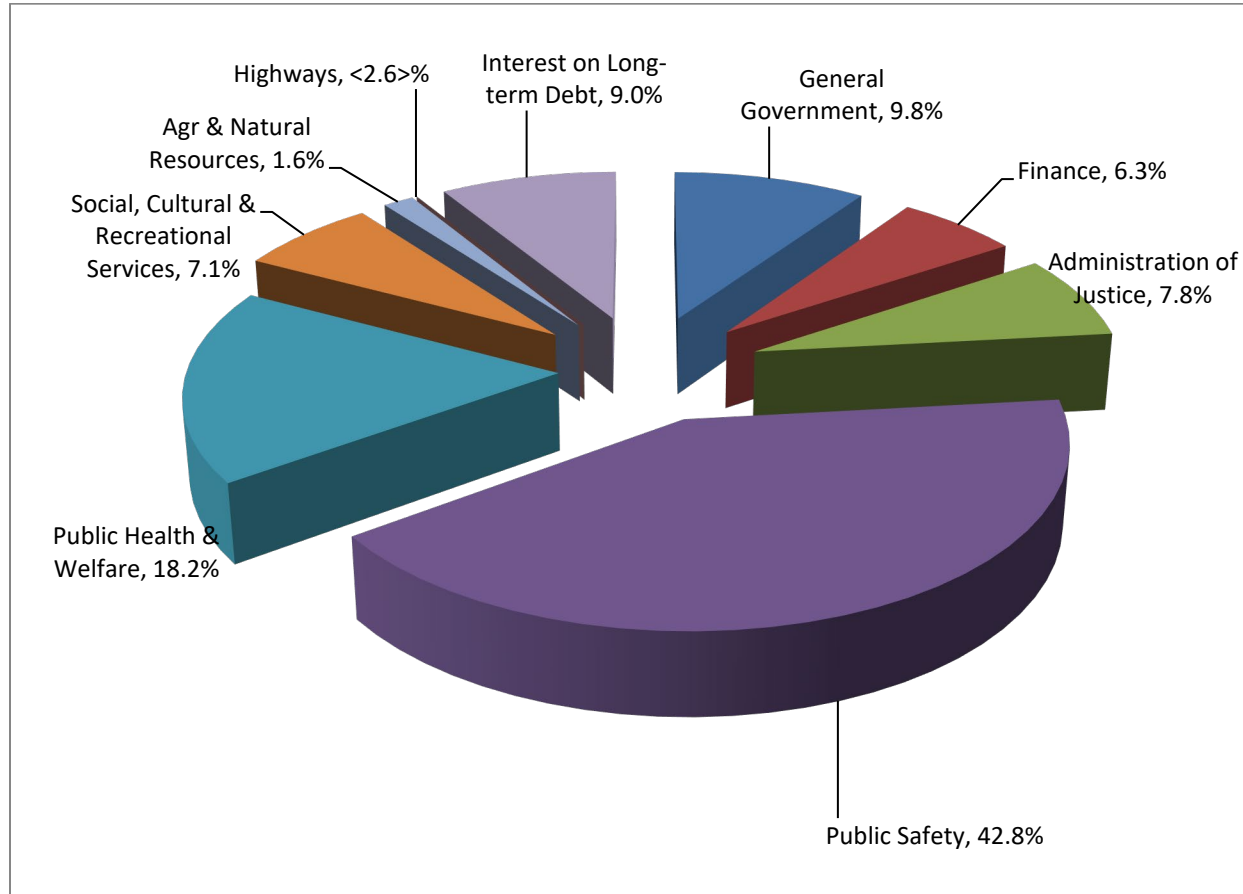
Note that amounts are rounded to one decimal place in the following chart.



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. Public Safety net expense of \$6,398,302, Public Health and Welfare net expense of \$2,710,584, General Government net expense of \$1,469,571 and Interest on Long-Term Debt net expense of \$1,344,264 are the largest categories of net expense of Hamblen County, which when combined total \$11,922,721 and are 79.8 percent of total net expense. Note that Highways generated \$388,295 more revenue than expense in the current year due to the receipt of operating and capital grants. This amount is shown as a negative in the following chart.

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



Analysis of Revenues

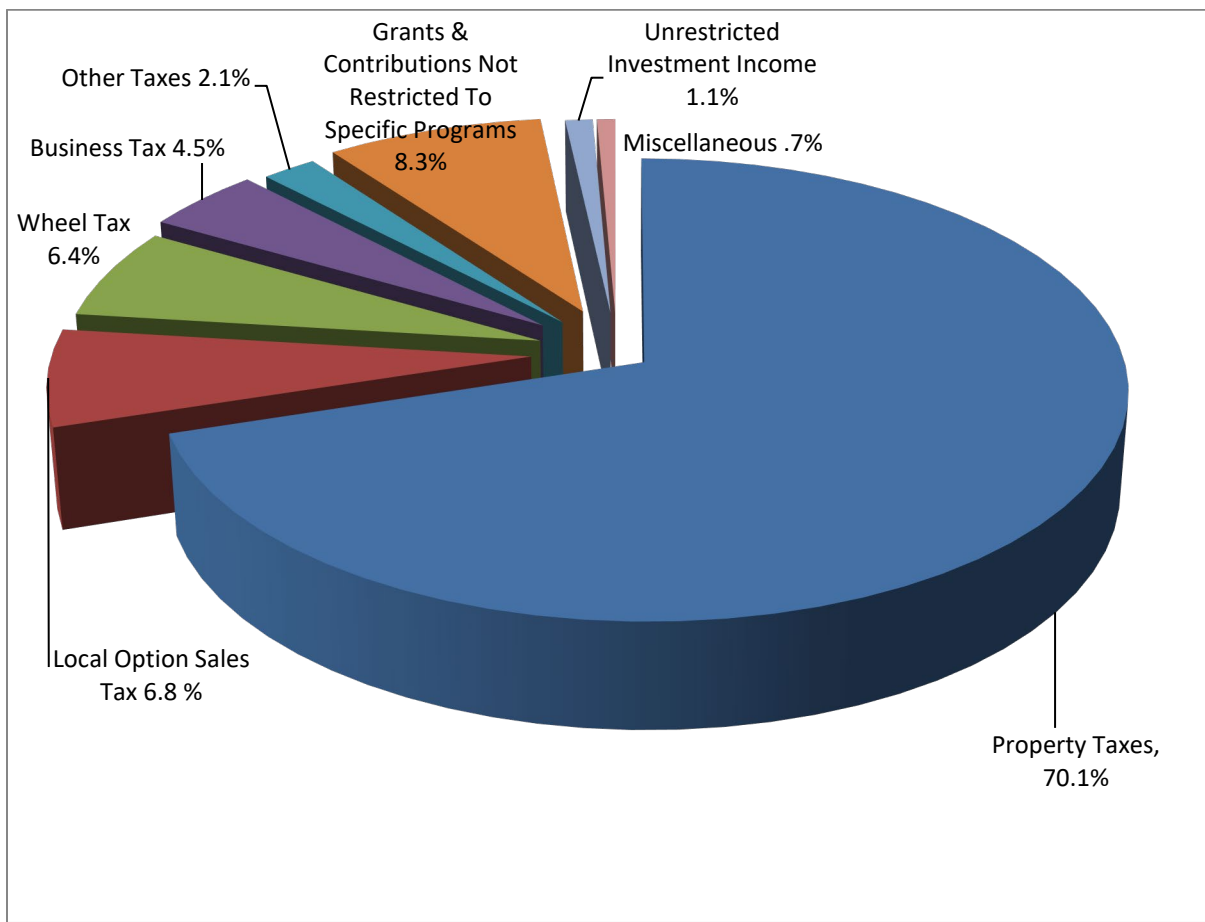
Revenues on the government-wide Statement of Activities are broken into two major categories, program and general revenues.

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).

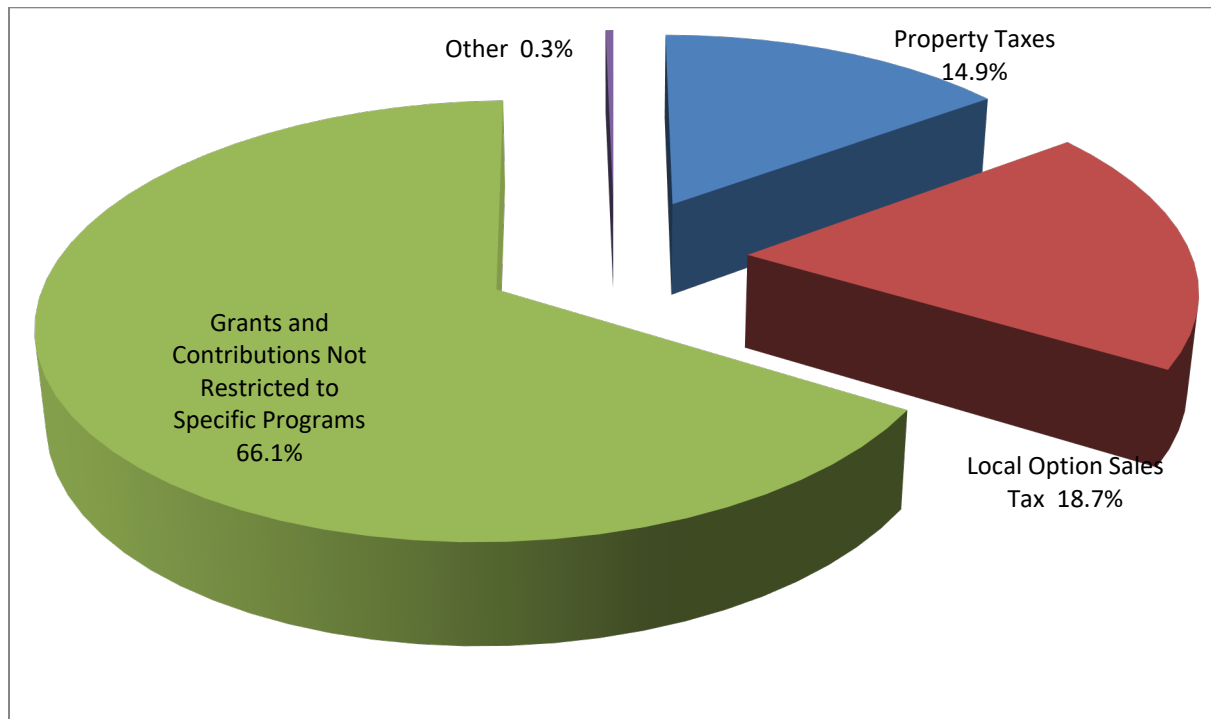
General revenues are all revenues that do not qualify as program revenues and are by far the largest revenue source. The largest single revenue sources within this major category are property taxes for the county and grants and contributions not restricted to specific programs for the discretely presented 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 \$87,966 and \$91,046, 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. Prepaid items and inventory are typical nonspendable items.

- **Restricted Fund Balance** – The restricted fund balance reflected in Hamblen County’s and the discretely presented Hamblen County School Department’s governmental funds totaling \$14,268,039 and \$9,122,142, 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 decreased by \$1,440,608 from the prior year. Amounts Restricted for Capital Projects in Hamblen County School Department’s governmental funds decreased by \$7,378,981 from the prior year. These decreases are due to completion of 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 \$7,196,934 and \$1,006,661, 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 \$1,343,718 and \$6,305,294, 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 \$8,726,959 and \$9,401,862, 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 \$31,623,616, an increase of \$5,814,534. The increase in the county’s fund balances is attributed to revenues exceeding expenses in the General Fund and the Debt Service funds. The discretely presented Hamblen County School Department’s governmental funds reported fund balances totaling \$25,927,005, a decrease of \$498,383. The decrease in the discretely presented Hamblen County School Department’s governmental fund balances is attributed to a decrease of \$7,378,981 in Assets Restricted for Capital Projects due to the substantial completion of the improvements to West High School. This decrease was offset by increases in assets restricted, committed and assigned in other areas.

The General Fund is the chief operating fund of Hamblen County. At the end of the current fiscal year, unassigned fund balance was \$8,726,959, while total fund balance was

\$10,443,559. Total fund balance for the General Fund increased \$3,735,669. 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 42.77 percent of total General Fund expenditures (including other uses), while total fund balance represents 51.18 percent of that same amount.

The Other General Government Capital Projects Fund's fund balances totaled \$221 at June 30, 2021, which represents interest earned on resources held in the fund. This fund was established in the current year and holds \$6,306,555 of Equity in Pooled Cash and Investments which were received through the American Rescue Plan. These assets are shown as liabilities of the county until they are spent according to plan requirements.

The Other Capital Projects Fund's fund balances totaled \$7,186,615 at June 30, 2021, a decrease of \$1,416,716 from the previous year. This fund accounts for the resources designated for the jail and justice center project and the improvements for West High School.

The General Debt Service Fund had a total fund balance of \$9,154,286 at June 30, 2021, an increase of \$2,699,344. This increase is due to the accumulation of resources to pay the debt which will result from the jail and justice center project and the improvements to West High School and other school construction projects.

The Solid Waste/Sanitation Fund's fund balances totaled \$2,530,591 at June 30, 2021, an increase of \$557,484 from the previous year.

The Highway/Public Works Fund had a total fund balance of \$1,593,995 at June 30, 2021, a decrease of \$18,513.

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 \$9,401,862, while total fund balance increased to \$17,098,884. Total fund balance for the General Purpose School Fund increased \$4,180,995. 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 10.58 percent of total General Purpose School Fund expenditures, while total fund balance represents 19.24 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 4.6 percent. These differences are summarized in the following table:

	Original	Amended	Increase (Decrease)
Appropriations:			
General Government	\$ 2,457,924	\$ 2,478,487	\$ 20,563
Finance	2,484,559	2,538,949	54,390
Administration of Justice	3,314,229	3,298,372	(15,857)
Public Safety	8,987,785	9,081,928	94,143
Public Health and Welfare	1,234,600	1,393,851	159,251
Social, Cultural, and Recreational Services	1,044,767	1,072,093	27,326
Agriculture and Natural Resources	248,054	249,766	1,712
Other Operations	1,787,355	2,109,808	322,453
Operation of Non-Instructional Services	6,000	6,000	0
Capital Projects	754,135	1,114,567	360,432
Total Appropriations	\$ 22,319,408	\$ 23,343,821	\$ 1,024,413

The increase in Public Health and Welfare is due to the additional funds needed for setup of the new Animal Control Department.

The increase in Public Safety is due to additional autopsies and increased coroner's visits due in part to the COVID-19 pandemic.

The increase in Other Operations is due to both an increase in jail liability claims settlements as well as COVID-19 related expenditures

The increase in Capital Projects is due to amendments approved for purchasing additional property adjacent to the Jail and Justice Center project as well as the purchase of a new vehicle from the Mental Health Transport Grant.

At the close of the fiscal year, actual expenditures were \$2,577,484 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 \$6,643,154 compared to the original budget of \$87,939,840. At the close of the fiscal year, actual expenditures were \$6,384,313 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, 2021, totaled \$22,828,116. This investment in capital assets includes land, buildings and improvements, other capital assets (includes vehicles and equipment), and infrastructure (includes roads, highways, and bridges).

Asset	Historical Value	Accumulated Depreciation	Net Value 6-30-21
Land	\$ 2,343,758	\$ 0	\$ 2,343,758
Construction in Progress	2,407,042	0	2,407,042
Buildings and Improvements	12,359,975	(6,372,405)	5,987,570
Infrastructure	17,915,974	(7,498,585)	10,417,389
Other Capital Assets	9,553,664	(7,881,307)	1,672,357
Total	<u>\$ 44,580,413</u>	<u>\$ (21,752,297)</u>	<u>\$ 22,828,116</u>

The discretely presented Hamblen County School Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2021, totaled \$62,519,154. 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 6-30-21
Land	\$ 4,818,977	\$ 0	\$ 4,818,977
Construction in Progress	294,368	0	294,368
Buildings and Improvements	153,617,983	(107,839,354)	45,778,629
Other Capital Assets	28,857,656	(17,230,476)	11,627,180
Total	<u>\$ 187,588,984</u>	<u>\$ (125,069,830)</u>	<u>\$ 62,519,154</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 \$32,051,582. Hamblen County made debt payments totaling \$2,887,187 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, 2021. 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	\$ 20,960,000
Other Loans Payable	<u>11,091,582</u>
Balance, June 30	<u>\$ 32,051,582</u>
Balance Due Within One Year	<u>\$ 3,118,854</u>

There is \$9,154,286 available in the General Debt Service Fund to service long-term debt.

Bonded debt per capita totaled \$325, based on the 2020 federal census. Total debt per capital, including bonds, other loans, and unamortized premium on debt, totaled \$516, based on the 2020 federal census.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

On June 24, 2021, Hamblen County adopted a budget resolution for the fiscal year ending June 30, 2022.

A tax levy resolution for tax year 2021 was also adopted on June 24, 2021. The distribution of the 2021 property tax rate is shown below:

<u>Fund</u>	<u>Inside</u>	<u>Outside</u>
General	\$ 0.62	\$ 0.62
Solid Waste/Sanitation	0.00	0.21
General Purpose School	0.71	0.71
General Debt Service	<u>0.43</u>	<u>0.43</u>
Total	<u>\$ 1.76</u>	<u>\$ 1.97</u>

The unadjusted unemployment rate for the county as of June 30, 2021, was 5.5 percent. The state's average unemployment rate as of June 30, 2021, was 5.9 percent and the national average was 4.9 percent. The unemployment rate for the county as of June 30, 2020, was 8.9 percent. The state's average unemployment rate as of June 30, 2020, was 9.3 percent and the national average was 11.1 percent. The decrease in the unemployment rate reflects the economic rebound from 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, 2021

	Primary Government Governmental Activities	Component Unit Hamblen County School Department
<u>ASSETS</u>		
Cash	\$ 6,906	\$ 2,459,238
Equity in Pooled Cash and Investments	40,044,473	19,513,477
Inventories	0	91,046
Accounts Receivable	272,694	108,866
Due from Other Governments	1,197,170	4,992,722
Due from Primary Government	0	603,351
Property Taxes Receivable	19,718,437	12,500,377
Allowance for Uncollectible Property Taxes	(568,540)	(397,241)
Prepaid Items	104,575	0
Net Pension Asset - Agent Plan	1,074,891	1,093,539
Net Pension Asset - Teacher Retirement Plan	0	470,910
Net Pension Asset - Teacher Legacy Pension Plan	0	7,743,641
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	767,442
Capital Assets:		
Assets Not Depreciated:		
Land	2,343,758	4,818,977
Construction in Progress	2,407,042	294,368
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	5,987,570	45,778,629
Infrastructure	10,417,389	0
Other Capital Assets	1,672,357	11,627,180
Total Assets	<u>\$ 84,678,722</u>	<u>\$ 112,466,522</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 163,868	\$ 0
Deferred Charge on Refunding	104,608	0
Pension Changes in Experience	162,815	477,513
Pension Changes in Assumptions	155,554	876,492
Pension Changes in Investment Earnings	278,289	2,050,942
Pension Changes in Proportion	0	109,785
Pension Contributions After Measurement Date	799,307	4,438,684
OPEB Changes in Experience	0	5,335
OPEB Changes in Assumptions	76,786	1,735,429
OPEB Contributions After Measurement Date	3,843	795,312
Total Deferred Outflows of Resources	<u>\$ 1,745,070</u>	<u>\$ 10,489,492</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Hamblen County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 594,687	\$ 584,667
Accrued Payroll	490,526	388,223
Accrued Interest Payable	90,501	0
Payroll Deductions Payable	0	58,594
Contracts Payable	121,760	0
Due to Component Units	603,351	0
Due to Other Governments	6,306,334	0
Other Current Liabilities	2,000	81,555
Derivative - Interest Rate Swap	629,346	0
Noncurrent Liabilities:		
Due Within One Year - Debt	3,118,854	0
Due Within One Year - Other	0	354,311
Due in More Than One Year - Debt	30,181,267	0
Due in More Than One Year - Other	511,400	16,418,226
Total Liabilities	<u>\$ 42,650,026</u>	<u>\$ 17,885,576</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 18,775,907	\$ 11,813,278
Pension Changes in Experience	354,760	4,201,928
Pension Changes in Proportion	0	42,663
OPEB Changes in Experience	436,466	6,267,437
OPEB Changes in Assumptions	54,575	1,560,284
OPEB Changes in Proportion	0	3,853,283
Total Deferred Inflows of Resources	<u>\$ 19,621,708</u>	<u>\$ 27,738,873</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 16,803,651	\$ 62,519,154
Restricted for:		
General Government	85,539	0
Finance	56,186	0
Administration of Justice	194,126	0
Public Safety	264,097	0
Public Health and Welfare	30,489	0
Highway/Public Works	1,814,523	0
Debt Service	4,987,041	0
Capital Projects	412,973	591,440
Education	0	7,763,260
Pensions	1,074,891	10,075,532
Unrestricted	<u>(1,571,458)</u>	<u>(3,617,821)</u>
Total Net Position	<u>\$ 24,152,058</u>	<u>\$ 77,331,565</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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Component Unit
					Governmental Activities	Hamblen County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 3,334,091	\$ 1,055,722	\$ 20,128	\$ 788,670	\$ (1,469,571)	\$ 0
Finance	2,992,297	2,054,669	0	0	(937,628)	0
Administration of Justice	2,967,963	1,698,598	107,440	0	(1,161,925)	0
Public Safety	8,440,233	856,732	1,081,484	103,715	(6,398,302)	0
Public Health and Welfare	3,906,876	313,465	877,727	5,100	(2,710,584)	0
Social, Cultural, and Recreational Services	1,267,155	204,361	0	0	(1,062,794)	0
Agriculture and Natural Resources	234,574	0	0	0	(234,574)	0
Highways	3,673,664	29,769	2,366,640	1,665,550	388,295	0
Education	8,750	0	0	6,208	(2,542)	0
Interest on Long-term Debt	1,344,264	0	0	0	(1,344,264)	0
Total Primary Government	<u>\$ 28,169,867</u>	<u>\$ 6,213,316</u>	<u>\$ 4,453,419</u>	<u>\$ 2,569,243</u>	<u>\$ (14,933,889)</u>	<u>\$ 0</u>
Component Unit:						
Hamblen County School Department	\$ 103,686,702	\$ 640,838	\$ 20,199,637	\$ 428,352	\$ 0	\$ (82,417,875)
Total Component Unit	<u>\$ 103,686,702</u>	<u>\$ 640,838</u>	<u>\$ 20,199,637</u>	<u>\$ 428,352</u>	<u>\$ 0</u>	<u>\$ (82,417,875)</u>

(Continued)

Exhibit B

Hamblen County, Tennessee
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position	
Functions/Programs	Expenses	Program Revenues			Primary	Component
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government	Unit
					Total Governmental Activities	Hamblen County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 10,955,955	\$ 13,566,987
Property Taxes Levied for Public Health and Welfare Purposes					1,343,910	0
Property Taxes Levied for Debt Purposes					5,852,749	0
Local Option Sales Taxes					1,762,521	17,028,985
Hotel/Motel Tax					15,562	0
Wheel Tax					1,650,103	0
Litigation Tax - General					108,108	0
Litigation Tax - Special Purpose					41,842	0
Litigation Tax - Jail/Workhouse/Courthouse					84,207	0
Litigation Tax - Courtroom Security					93,704	0
Business Tax					1,169,145	0
Mixed Drink Tax					0	70,300
Mineral Severance Tax					63,777	0
Wholesale Beer Tax					136,179	0
Grants and Contributions Not Restricted to Specific Programs					2,155,142	60,063,430
Unrestricted Investment Income					271,557	19,854
Gain on Investments					0	124,544
Gain on Disposal of Capital Assets					0	42,285
Miscellaneous					182,234	42,238
Total General Revenues					<u>\$ 25,886,695</u>	<u>\$ 90,958,623</u>
Change in Fair Value of Derivatives - Interest Rate Swap					<u>\$ 219,501</u>	<u>\$ 0</u>
Change in Net Position					\$ 11,172,307	\$ 8,540,748
Net Position, July 1, 2020					12,979,751	66,612,676
Restatement - See Note I.D.10.					<u>0</u>	<u>2,178,141</u>
Net Position, June 30, 2021					<u>\$ 24,152,058</u>	<u>\$ 77,331,565</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, 2021

	Major Funds				Nonmajor Funds	
	General	General Debt Service	Other General Government Capital Projects	Other Capital Projects	Other Govern-mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 6,706	\$ 6,806
Equity in Pooled Cash and Investments	10,587,435	9,068,224	6,306,555	7,911,726	4,712,304	38,586,244
Accounts Receivable	173,835	0	0	0	86,063	259,898
Due from Other Governments	400,242	63,000	0	0	725,870	1,189,112
Due from Other Funds	79,615	0	0	0	0	79,615
Property Taxes Receivable	10,866,719	7,480,357	0	0	1,371,361	19,718,437
Allowance for Uncollectible Property Taxes	(326,255)	(202,644)	0	0	(39,641)	(568,540)
Prepaid Items	10,798	77,168	0	0	0	87,966
Total Assets	<u>\$ 21,792,489</u>	<u>\$ 16,486,105</u>	<u>\$ 6,306,555</u>	<u>\$ 7,911,726</u>	<u>\$ 6,862,663</u>	<u>\$ 59,359,538</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 233,782	\$ 0	\$ 0	\$ 0	\$ 197,654	\$ 431,436
Accrued Payroll	415,527	0	0	0	74,999	490,526
Contracts Payable	0	0	0	121,760	0	121,760
Due to Other Funds	0	0	0	0	79,615	79,615
Due to Component Units	0	0	0	603,351	0	603,351
Due to Other Governments	0	0	6,306,334	0	0	6,306,334
Other Current Liabilities	0	0	0	0	2,000	2,000
Total Liabilities	<u>\$ 649,309</u>	<u>\$ 0</u>	<u>\$ 6,306,334</u>	<u>\$ 725,111</u>	<u>\$ 354,268</u>	<u>\$ 8,035,022</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 10,315,820	\$ 7,154,521	\$ 0	\$ 0	\$ 1,305,566	\$ 18,775,907
Deferred Delinquent Property Taxes	208,426	114,298	0	0	22,889	345,613

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	General Debt Service	Other General Government Capital Projects	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 175,375	\$ 63,000	\$ 0	\$ 0	\$ 341,005	\$ 579,380
Total Deferred Inflows of Resources	\$ 10,699,621	\$ 7,331,819	\$ 0	\$ 0	\$ 1,669,460	\$ 19,700,900
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 10,798	\$ 77,168	\$ 0	\$ 0	\$ 0	\$ 87,966
Restricted:						
Restricted for General Government	85,539	0	0	0	0	85,539
Restricted for Finance	56,186	0	0	0	0	56,186
Restricted for Administration of Justice	194,126	0	0	0	0	194,126
Restricted for Public Safety	18,633	0	0	0	245,464	264,097
Restricted for Public Health and Welfare	7,600	0	0	0	0	7,600
Restricted for Highways/Public Works	0	0	0	0	1,593,995	1,593,995
Restricted for Debt Service	0	4,872,743	0	0	0	4,872,743
Restricted for Capital Projects	0	0	0	7,186,615	7,138	7,193,753
Committed:						
Committed for Public Health and Welfare	0	0	0	0	2,530,591	2,530,591
Committed for Debt Service	0	4,204,375	0	0	0	4,204,375
Committed for Capital Projects	0	0	221	0	461,747	461,968
Assigned:						
Assigned for General Government	60,678	0	0	0	0	60,678
Assigned for Finance	17,131	0	0	0	0	17,131
Assigned for Public Safety	385,150	0	0	0	0	385,150
Assigned for Public Health and Welfare	77,208	0	0	0	0	77,208
Assigned for Social, Cultural, and Recreational Services	24,636	0	0	0	0	24,636

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	General Debt Service	Other General Government Capital Projects	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Other Operations	\$ 657,664	\$ 0	\$ 0	\$ 0	\$ 0	\$ 657,664
Assigned for Other Purposes	121,251	0	0	0	0	121,251
Unassigned	8,726,959	0	0	0	0	8,726,959
Total Fund Balances	<u>\$ 10,443,559</u>	<u>\$ 9,154,286</u>	<u>\$ 221</u>	<u>\$ 7,186,615</u>	<u>\$ 4,838,935</u>	<u>\$ 31,623,616</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,792,489</u>	<u>\$ 16,486,105</u>	<u>\$ 6,306,555</u>	<u>\$ 7,911,726</u>	<u>\$ 6,862,663</u>	<u>\$ 59,359,538</u>

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, 2021

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)		\$ 31,623,616
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,343,758	
Add: construction in progress	2,407,042	
Add: buildings and improvements net of accumulated depreciation	5,987,570	
Add: infrastructure net of accumulated depreciation	10,417,389	
Add: other capital assets net of accumulated depreciation	<u>1,672,357</u>	22,828,116
(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.		1,332,541
(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	\$ (11,091,582)	
Less: bonds payable	(20,960,000)	
Less: OPEB liability	(511,400)	
Add: deferred amount on refunding	104,608	
Less: fair value of derivative - interest rate swap	(629,346)	
Add: deferred outflows on interest rate swap	163,868	
Less: accrued interest on bonds and other loans payable	(90,501)	
Less: unamortized premium on debt	<u>(1,248,539)</u>	(34,262,892)
(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	\$ 1,395,965	
Less: deferred inflows of resources related to pensions	(354,760)	
Add: deferred outflows of resources related to OPEB	80,629	
Less: deferred inflows of resources related to OPEB	<u>(491,041)</u>	630,793
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,074,891
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>924,993</u>
Net position of governmental activities (Exhibit A)		<u>\$ 24,152,058</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, 2021

	Major Funds				Nonmajor Funds	
	General	General Debt Service	Other General Capital Projects	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 14,275,188	\$ 6,152,961	\$ 0	\$ 0	\$ 3,143,106	\$ 23,571,255
Licenses and Permits	516,727	0	0	0	1,520	518,247
Fines, Forfeitures, and Penalties	189,598	58,772	0	0	167,825	416,195
Charges for Current Services	363,068	0	0	0	28,824	391,892
Other Local Revenues	199,786	770,577	221	1,710	25,833	998,127
Fees Received From County Officials	3,801,584	0	0	0	0	3,801,584
State of Tennessee	3,445,825	0	0	0	3,381,813	6,827,638
Federal Government	1,124,680	0	0	0	11,308	1,135,988
Other Governments and Citizens Groups	285,816	0	0	0	39,186	325,002
Total Revenues	\$ 24,202,272	\$ 6,982,310	\$ 221	\$ 1,710	\$ 6,799,415	\$ 37,985,928
<u>Expenditures</u>						
Current:						
General Government	\$ 2,218,583	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,218,583
Finance	2,393,196	0	0	0	0	2,393,196
Administration of Justice	2,859,062	0	0	0	28,824	2,887,886
Public Safety	8,010,217	0	0	0	77,493	8,087,710
Public Health and Welfare	1,165,233	0	0	0	2,480,609	3,645,842
Social, Cultural, and Recreational Services	1,040,710	0	0	0	0	1,040,710
Agriculture and Natural Resources	234,456	0	0	0	0	234,456
Other Operations	1,947,562	0	0	0	0	1,947,562
Highways	0	0	0	0	3,078,266	3,078,266
Operation of Non-Instructional Services	5,000	0	0	0	0	5,000
Debt Service:						
Principal on Debt	0	2,887,187	0	0	0	2,887,187
Interest on Debt	0	1,260,751	0	0	0	1,260,751

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	General Debt Service	Other General Capital Projects	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>						
Debt Service (Cont.)						
Other Debt Service	\$ 0	\$ 135,028	\$ 0	\$ 0	\$ 0	\$ 135,028
Capital Projects	562,351	0	0	1,778,426	371,633	2,712,410
Total Expenditures	\$ 20,436,370	\$ 4,282,966	\$ 0	\$ 1,778,426	\$ 6,036,825	\$ 32,534,587
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,765,902	\$ 2,699,344	\$ 221	\$ (1,776,716)	\$ 762,590	\$ 5,451,341
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 360,000	\$ 0	\$ 360,000
Insurance Recovery	3,193	0	0	0	0	3,193
Transfers In	0	0	0	0	33,426	33,426
Transfers Out	(33,426)	0	0	0	0	(33,426)
Total Other Financing Sources (Uses)	\$ (30,233)	\$ 0	\$ 0	\$ 360,000	\$ 33,426	\$ 363,193
Net Change in Fund Balances	\$ 3,735,669	\$ 2,699,344	\$ 221	\$ (1,416,716)	\$ 796,016	\$ 5,814,534
Fund Balance, July 1, 2020	6,707,890	6,454,942	0	8,603,331	4,042,919	25,809,082
Fund Balance, June 30, 2021	\$ 10,443,559	\$ 9,154,286	\$ 221	\$ 7,186,615	\$ 4,838,935	\$ 31,623,616

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, 2021

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)		\$	5,814,534
(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	\$	2,533,689	
Less: current-year depreciation expense		(1,034,313)	1,499,376
(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	\$	852,750	
Less: book value of capital assets disposed		(8,908)	843,842
(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, 2021	\$	924,993	
Less: deferred delinquent property taxes and other deferred June 30, 2020		(788,962)	136,031
(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.			
Add: change in unamortized premium on debt issuances	\$	52,598	
Add: principal payments on other loans		2,257,187	
Add: principal payments on bonds		630,000	
Less: other loan proceeds		(360,000)	
Add: change in fair value of derivatives - interest rate swap		437,418	
Less: change in deferred outflows on derivative - interest rate swap		(217,917)	
Less: change in deferred amount on refunding debt		(23,574)	2,775,712
(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	\$	22,491	
Change in OPEB liability		(69,197)	
Change in net pension asset/liability		(146,798)	
Change in deferred outflows related to pensions		69,009	
Change in deferred inflows related to pensions		252,895	
Change in deferred outflows related to OPEB		62,098	
Change in deferred inflows related to OPEB		72,803	263,301
(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.			(160,489)
Change in net position of governmental activities (Exhibit B)		\$	<u>11,172,307</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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 14,275,188	\$ 0	\$ 0	\$ 14,275,188	\$ 13,779,130	\$ 13,779,130	\$ 496,058
Licenses and Permits	516,727	0	0	516,727	501,000	501,000	15,727
Fines, Forfeitures, and Penalties	189,598	0	0	189,598	209,050	209,050	(19,452)
Charges for Current Services	363,068	0	0	363,068	341,500	341,500	21,568
Other Local Revenues	199,786	0	0	199,786	116,400	131,991	67,795
Fees Received From County Officials	3,801,584	0	0	3,801,584	3,390,000	3,390,000	411,584
State of Tennessee	3,445,825	0	0	3,445,825	3,653,798	3,705,656	(259,831)
Federal Government	1,124,680	0	0	1,124,680	222,305	1,218,387	(93,707)
Other Governments and Citizens Groups	285,816	0	0	285,816	118,000	287,708	(1,892)
Total Revenues	\$ 24,202,272	\$ 0	\$ 0	\$ 24,202,272	\$ 22,331,183	\$ 23,564,422	\$ 637,850
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 162,192	\$ 0	\$ 0	\$ 162,192	\$ 175,305	\$ 175,305	\$ 13,113
Board of Equalization	1,335	0	0	1,335	5,550	5,550	4,215
County Mayor/Executive	222,849	0	0	222,849	235,206	240,168	17,319
County Attorney	19,367	0	0	19,367	31,293	31,293	11,926
Election Commission	332,642	0	0	332,642	369,764	370,484	37,842
Register of Deeds	331,632	0	0	331,632	370,844	371,040	39,408
Planning	214,632	0	40	214,672	220,878	229,238	14,566
Codes Compliance	56,300	0	0	56,300	57,305	57,707	1,407
Geographical Information Systems	85,701	0	0	85,701	89,433	89,888	4,187
Other Facilities	772,190	0	0	772,190	881,602	886,925	114,735
Preservation of Records	19,743	0	0	19,743	20,744	20,889	1,146
<u>Finance</u>							
Accounting and Budgeting	424,922	0	0	424,922	432,752	438,658	13,736
Purchasing	43,320	0	0	43,320	42,114	44,202	882
Property Assessor's Office	343,395	0	0	343,395	351,556	353,243	9,848
Reappraisal Program	150,073	0	0	150,073	139,279	162,854	12,781
County Trustee's Office	362,912	0	0	362,912	378,102	379,486	16,574

(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 7/1/2020	Add: Encumbrances 6/30/2021	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	\$ 630,810	\$ 0	\$ 0	\$ 630,810	\$ 685,678	\$ 702,109	\$ 71,299
Data Processing	116,055	0	0	116,055	127,030	128,226	12,171
Other Finance	321,709	0	0	321,709	328,048	330,171	8,462
<u>Administration of Justice</u>							
Circuit Court	887,729	0	0	887,729	965,794	985,831	98,102
General Sessions Court	435,728	0	0	435,728	457,243	457,243	21,515
Drug Court	56,873	0	0	56,873	153,668	97,021	40,148
Chancery Court	386,553	0	0	386,553	392,925	398,676	12,123
Juvenile Court	275,665	0	0	275,665	317,775	319,514	43,849
Courtroom Security	702,397	0	0	702,397	894,627	896,630	194,233
Victim Assistance Programs	114,117	0	0	114,117	132,197	143,457	29,340
<u>Public Safety</u>							
Sheriff's Department	2,984,991	(660)	62,612	3,046,943	3,245,489	3,292,142	245,199
Administration of the Sexual Offender Registry	2,582	0	0	2,582	6,000	6,000	3,418
Jail	3,972,455	0	5,322	3,977,777	4,610,097	4,623,254	645,477
Workhouse	73,534	0	0	73,534	92,071	92,071	18,537
Work Release Program	282,151	0	0	282,151	318,077	319,678	37,527
Fire Prevention and Control	220,000	0	0	220,000	220,000	220,000	0
Civil Defense	90,067	0	0	90,067	100,485	103,084	13,017
Other Emergency Management	185,089	0	0	185,089	185,089	185,089	0
Inspection and Regulation	3,660	0	0	3,660	4,877	4,877	1,217
County Coroner/Medical Examiner	177,357	0	0	177,357	165,100	195,233	17,876
Other Public Safety	18,331	0	0	18,331	40,500	40,500	22,169
<u>Public Health and Welfare</u>							
Local Health Center	725,426	0	0	725,426	931,867	932,518	207,092
Rabies and Animal Control	287,704	0	0	287,704	150,000	308,600	20,896
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
Appropriation to State	115,233	0	0	115,233	115,233	115,233	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 7/1/2020	Add: Encumbrances 6/30/2021	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>							
Other Local Welfare Services	\$ 26,870	\$ 0	\$ 0	\$ 26,870	\$ 27,500	\$ 27,500	\$ 630
<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	283,111	0	0	283,111	302,707	313,733	30,622
Other Social, Cultural, and Recreational	445,999	0	0	445,999	430,460	446,760	761
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	164,423	0	0	164,423	165,206	166,586	2,163
Forest Service	1,000	0	0	1,000	1,000	1,000	0
Soil Conservation	50,885	0	0	50,885	50,888	51,220	335
Storm Water Management	18,148	0	0	18,148	30,960	30,960	12,812
<u>Other Operations</u>							
Tourism	54,502	0	0	54,502	54,700	54,700	198
Industrial Development	616,405	0	0	616,405	641,000	641,000	24,595
Veterans' Services	30,367	0	0	30,367	32,164	32,455	2,088
Other Charges	5,426	0	0	5,426	0	5,426	0
Employee Benefits	700,849	0	0	700,849	709,682	770,302	69,453
COVID-19 Grant #1	25,215	0	0	25,215	41,405	41,835	16,620
COVID-19 Grant #2	214,016	0	0	214,016	0	233,559	19,543
COVID-19 Grant #4	16,277	0	0	16,277	0	16,277	0
Miscellaneous	284,505	0	0	284,505	308,404	314,254	29,749
<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	85,344	0	0	85,344	300,000	300,000	214,656
Public Safety Projects	382,588	(31,840)	293,314	644,062	406,000	702,432	58,370
Public Health and Welfare Projects	94,419	0	1,179	95,598	45,000	109,000	13,402
Other General Government Projects	0	0	0	0	3,135	3,135	3,135
Total Expenditures	\$ 20,436,370	\$ (32,500)	\$ 362,467	\$ 20,766,337	\$ 22,319,408	\$ 23,343,821	\$ 2,577,484

(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 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,765,902	\$ 32,500	\$ (362,467)	\$ 3,435,935	\$ 11,775	\$ 220,601	\$ 3,215,334
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 3,193	\$ 0	\$ 0	\$ 3,193	\$ 0	\$ 2,896	\$ 297
Transfers Out	(33,426)	0	0	(33,426)	0	(35,314)	1,888
Total Other Financing Sources	\$ (30,233)	\$ 0	\$ 0	\$ (30,233)	\$ 0	\$ (32,418)	\$ 2,185
Net Change in Fund Balance	\$ 3,735,669	\$ 32,500	\$ (362,467)	\$ 3,405,702	\$ 11,775	\$ 188,183	\$ 3,217,519
Fund Balance, July 1, 2020	6,707,890	(32,500)	0	6,675,390	6,259,567	6,259,567	415,823
Fund Balance, June 30, 2021	\$ 10,443,559	\$ 0	\$ (362,467)	\$ 10,081,092	\$ 6,271,342	\$ 6,447,750	\$ 3,633,342

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, 2021

Governmental
 Activities -
 Internal Service
 Fund
 Employee
 Insurance -
 General

ASSETS

Current Assets:

Cash	\$ 100
Equity in Pooled Cash and Investments	1,458,229
Accounts Receivable	12,796
Due from Other Governments	8,058
Prepaid Items	16,609
Total Assets	<u>\$ 1,495,792</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 163,251
Total Liabilities	<u>\$ 163,251</u>

NET POSITION

Unrestricted	<u>\$ 1,332,541</u>
Total Net Position	<u><u>\$ 1,332,541</u></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, 2021

	Governmental Activities - Internal Service Fund Employee Insurance - General
<u>Operating Revenues</u>	
Self-insurance Premiums/Contributions	\$ 2,944,225
Other Employee Benefit Charges/Contributions	151,961
Other General Service Charges	38,419
Other Charges for Services	29,499
Total Operating Revenues	<u>\$ 3,164,104</u>
<u>Operating Expenses</u>	
Handling Charges and Administrative Costs	\$ 135,491
Dental and Vision Insurance	151,757
Consultants	35,300
Contracts with Private Agencies	390,947
Excess Risk Insurance	369,810
Medical Claims	1,637,068
Other Self-insured Claims	610,103
Surcharge	1,073
Total Operating Expenses	<u>\$ 3,331,549</u>
Operating Income	<u>\$ (167,445)</u>
Nonoperating Revenue (Expenses)	
Miscellaneous Refunds	\$ 6,956
Total Nonoperating Revenues (Expenses)	<u>\$ 6,956</u>
Change in Net Position	\$ (160,489)
Net Position, July 1, 2020	<u>1,493,030</u>
Net Position, June 30, 2021	<u><u>\$ 1,332,541</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, 2021

	Governmental Activities - Internal Service Fund Employee Insurance - General
<u>Cash Flows from Operating Activities</u>	
Receipts for Self Insurance Premiums	\$ 3,436,808
Receipts for Other Insurance Premiums	151,991
Receipts for Prescription Rebates	270,349
Receipts for Other General Service Charges	26,669
Receipts for Other Charges from Services	29,499
Payments to Insurers and Consultants	(505,793)
Payments for Claims	(2,498,616)
Payments to Vendors	(383,118)
Payments for Administrative Costs	(135,491)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 392,298</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Miscellaneous Refunds	\$ 6,890
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 6,890</u>
Increase (Decrease) in Cash	\$ 399,188
Cash, July 1, 2020	<u>1,059,141</u>
Cash, June 30, 2021	<u><u>\$ 1,458,329</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (167,445)
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	480,863
(Increase) Decrease in Prepaid Items	52,147
Increase (Decrease) in Accounts Payable	26,733
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 392,298</u></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>1,458,229</u>
Cash, June 30, 2021	<u><u>\$ 1,458,329</u></u>

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

Exhibit E-1

Hamblen County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,022,516
Equity in Pooled Cash and Investments	6,451
Accounts Receivable	49
Due from Other Governments	<u>2,717,906</u>
Total Assets	<u>\$ 6,746,922</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 2,717,906</u>
Total Liabilities	<u>\$ 2,717,906</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 4,029,016</u>
Total Net Position	<u><u>\$ 4,029,016</u></u>

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

Exhibit E-2

Hamblen County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 15,235,305
Fines/Fees and Other Collections	12,428,117
Other Employee Benefit Charges/Contributions	25,875
Total Additions	<u>\$ 27,689,297</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections for Other Governments	\$ 15,235,305
Payments to State	5,556,046
Payments to Individuals and Others	5,427,341
Payments of Fringe Benefit Expenses	25,016
Total Deductions	<u>\$ 26,243,708</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 1,445,589
Net Position, July 1, 2020	5,592
Restatement - See Note I.D.10.	<u>2,577,835</u>
Net Position, June 30, 2021	<u><u>\$ 4,029,016</u></u>

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

HAMBLLEN COUNTY, TENNESSEE

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HAMBLLEN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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. There were no debt issues contributed by the county to the school department during the year ended June 30, 2021.

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. 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.

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

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 General Government Capital Projects Fund – This fund is used to account for financial resources and expenditures relating to the American Rescue Plan Act.

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.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Hamblen County, and operations of the flexible benefits program for Hamblen County employees.

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.

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.

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

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.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 21) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 20) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an 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 States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. 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 1.56 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. Due to Other Governments on the Statement of Net Position for the primary government represents grant amounts received in advance under the American Rescue Plan Act.

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, assumptions, investment earnings, and proportion; pension and OPEB contributions after the measurement date; and OPEB changes in experience and assumptions.

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 and proportion; OPEB changes in experience, assumptions, and 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 \$249,334 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, 2021, Hamblen County had \$19,846,275 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 2021-22 budget (\$657,664), amounts for encumbrances (\$362,467), amounts for various insurance premium increases (\$121,251), and various other assignments (\$202,336). Assigned fund balance in the school

department's General Purpose School Fund includes amounts assigned for use in the 2021-22 budget (\$4,055,688), textbooks (\$592,835), amounts for encumbrances (\$859,377) and other uses (\$797,394).

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.

10. Restatements

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Hamblen County School Department. A restatement of \$2,178,141 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, the beginning balance of these funds has been restated by \$2,577,835 using the economic measurement focus and the accrual basis of accounting. The Other Custodial Fund was previously reported as an employee benefit trust fund.

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 Pension 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 Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented 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 and the school department's Internal School Fund (special revenue funds), which are 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, 2021, Hamblen County and the discretely presented Hamblen County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government	
Major Fund:	
General	\$ 362,467
Nonmajor Fund:	
Highway/Public Works	304,609
School Department:	
Major Fund:	
General Purpose School	944,399
Nonmajor Fund:	
School Federal Projects	1,997,493

B. Expenditures and Encumbrances Exceeded Appropriations

Expenditures and encumbrances exceeded total appropriations approved by the county commission in the Capital Outlay major appropriations category (the legal level of control) of the Highway/Public Works Fund, a nonmajor governmental fund, by \$58,709. Expenditures that exceed appropriations are a violation of state statutes. These expenditures and encumbrances in excess of appropriations were funded by available fund balance in the Highway/Public Works Fund.

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government

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

Other than the school department's investment in the TCRS Stabilization Trust as discussed below, the county had no pooled or nonpooled investments as of June 30, 2021.

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. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2021, the Hamblen County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 237,907
Developed Market International Equity	N/A	N/A	107,442
Emerging Market International Equity	N/A	N/A	30,698
U.S. Fixed Income	N/A	N/A	153,488
Real Estate	N/A	N/A	76,745
Short-term Securities	N/A	N/A	7,674
NAV - Private Equity and Strategic Lending	N/A	N/A	153,488
Total			<u>\$ 767,442</u>

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

B. Derivative Instruments

Primary Government

At June 30, 2021, Hamblen County had the following derivative instrument outstanding:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$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, 2021, 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 2021 financial statements are as follows:

			Fair Value at June 30, 2021		6-30-21
	Changes in Fair Value		Classi-		Notional
Type	Classification	Amount	fication	Amount	Amount
Governmental Activities					
Pay-fixed interest rate swap:					
\$10M Hybrid Swap B:					\$7,020,000
Cash Flow Hedge Portion	Deferred				
	Outflow	\$ 217,917	Debt	\$ (163,868)	
Non-hedge Portion	Investment				
	Earnings	<u>219,501</u>	Debt	<u>(465,478)</u>	
Total \$10M Hybrid Swap B		<u>\$ 437,418</u>		<u>\$ (629,346)</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 Instrument 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 derivative instrument swap agreement for all of the outstanding Local Government Improvement Bonds, Series A-2-B.

Objective of the derivative instrument 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 a derivative instrument 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 derivative instrument 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 derivative instrument 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, 2021, 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>(0.410)</u>
Net interest rate swap payments		3.980
Variable-rate bond coupon payments		<u>0.499</u>
Synthetic interest rate on bonds		<u><u>4.479 %</u></u>

Fair value. As of June 30, 2021, the swap had a negative fair value of \$629,346. 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, 2021, 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 derivative instrument'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, 2021, 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 derivative instrument 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, 2021, 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		Total
	Principal	Interest	Swap Payment		
2022	\$ 1,615,000	\$ 35,058	\$ 279,391	\$	1,929,449
2023	1,705,000	26,992	215,115		1,947,107
2024	1,800,000	18,478	147,257		1,965,735
2025	1,900,000	9,489	75,619		1,985,108
Total	\$ 7,020,000	\$ 90,017	\$ 717,382	\$	7,827,399

C. Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 1,733,818	\$ 609,940	\$ 0	\$ 2,343,758
Construction in Progress	1,045,182	1,361,860	0	2,407,042
Total Capital Assets Not Depreciated	<u>\$ 2,779,000</u>	<u>\$ 1,971,800</u>	<u>\$ 0</u>	<u>\$ 4,750,800</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,132,269	\$ 227,706	\$ 0	\$ 12,359,975
Infrastructure	17,063,224	852,750	0	17,915,974
Other Capital Assets	9,423,021	334,183	(203,540)	9,553,664
Total Capital Assets Depreciated	<u>\$ 38,618,514</u>	<u>\$ 1,414,639</u>	<u>\$ (203,540)</u>	<u>\$ 39,829,613</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,101,819	\$ 270,586	\$ 0	\$ 6,372,405
Infrastructure	7,326,616	171,969	0	7,498,585
Other Capital Assets	7,484,181	591,758	(194,632)	7,881,307
Total Accumulated Depreciation	<u>\$ 20,912,616</u>	<u>\$ 1,034,313</u>	<u>\$ (194,632)</u>	<u>\$ 21,752,297</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,705,898</u>	<u>\$ 380,326</u>	<u>\$ (8,908)</u>	<u>\$ 18,077,316</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,484,898</u>	<u>\$ 2,352,126</u>	<u>\$ (8,908)</u>	<u>\$ 22,828,116</u>

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

Governmental Activities:

General Government	\$ 101,797
Finance	1,937
Administration of Justice	98,006
Public Safety	271,484
Public Health and Welfare	138,431
Social, Cultural, and Recreational Services	59,020
Highways/Public Works	<u>363,638</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,034,313</u></u>

Discretely Presented Hamblen County School Department**Governmental Activities:**

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 4,483,652	\$ 335,325	\$ 0	\$ 4,818,977
Construction in Progress	<u>3,183,235</u>	<u>191,438</u>	<u>(3,080,305)</u>	<u>294,368</u>
Total Capital Assets Not Depreciated	<u>\$ 7,666,887</u>	<u>\$ 526,763</u>	<u>\$ (3,080,305)</u>	<u>\$ 5,113,345</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 143,084,722	\$ 10,533,261	\$ 0	\$ 153,617,983
Other Capital Assets	<u>26,818,320</u>	<u>2,307,041</u>	<u>(267,705)</u>	<u>28,857,656</u>
Total Capital Assets Depreciated	<u>\$ 169,903,042</u>	<u>\$ 12,840,302</u>	<u>\$ (267,705)</u>	<u>\$ 182,475,639</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 105,631,022	\$ 2,208,332	\$ 0	\$ 107,839,354
Other Capital Assets	<u>15,778,875</u>	<u>1,718,623</u>	<u>(267,022)</u>	<u>17,230,476</u>
Total Accumulated Depreciation	<u>\$ 121,409,897</u>	<u>\$ 3,926,955</u>	<u>\$ (267,022)</u>	<u>\$ 125,069,830</u>
Total Capital Assets Depreciated, Net	<u>\$ 48,493,145</u>	<u>\$ 8,913,347</u>	<u>\$ (683)</u>	<u>\$ 57,405,809</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 56,160,032</u></u>	<u><u>\$ 9,440,110</u></u>	<u><u>\$ (3,080,988)</u></u>	<u><u>\$ 62,519,154</u></u>

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

Governmental Activities:

Instruction	\$ 49,126
Support Services	3,634,302
Operation of Non-instructional Services	<u>243,527</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,926,955</u></u>

D. Construction Commitments

At June 30, 2021, the General Purpose School Fund of the discretely presented school department had uncompleted construction contracts of approximately \$204,746 for building improvement projects. Funding has been provided for these future expenditures.

Hamblen County Commission has approved initial resolutions for general obligation bonds to fund a portion of anticipated county and school capital projects. In 2019, the commission approved an initial resolution for the issuance of up to \$85,000,000 of general obligation bonds and subsequent to June 30, 2021, the commission approved another initial resolution for up to \$42,400,000 of general obligation bonds. Hamblen County issued \$19,995,000 of those bonds in January 2020. Management expects the remaining authorized bonds to be issued by March 2023. The projects to be funded by these debt issues include approximately \$94,750,000 for a justice center project and approximately \$32,400,000 for school projects.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, was as follows:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 79,615
Discretely Presented School Department:		
General Purpose School	Central Cafeteria	369,936
"	Nonmajor governmental	88,546
Central Cafeteria	General Purpose School	8,972

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
<hr/>		
Component Unit:		
School Department:	Primary Government:	
Nonmajor governmental	Other Capital Projects	\$ 603,351

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, 2021, consisted of the following amounts:

Primary Government

Transfer Out	<u>Transfer In</u>	
	Nonmajor Governmental Funds	Purpose
<hr/>		
General Fund	\$ 33,426	Reimburse Grant Expenditures

Discretely Presented Hamblen County School Department:

Transfers Out	<u>Transfers In</u>	
	General Purpose School Fund	Central Cafeteria Fund
<hr/>		
General Purpose School	\$ 0	\$ 1,346
Central Cafeteria Fund	365,000	0
Nonmajor Governmental Funds	66,396	0
<hr/>		
Total	\$ 431,396	\$ 1,346
<hr/>		

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. Transfers to the General Purpose School Fund were to reimburse indirect costs and capital projects. Transfers to the Central Cafeteria Fund were to reimburse expenditures.

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, 2021, 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, 2021, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2021, for governmental activities are as follows:

Type	Interest Rate		Final Maturity		Original Amount of Issue		Balance 6-30-21
General Obligation Bonds	1.446-5	%	6-1-49	\$	25,195,000	\$	20,960,000
Direct Borrowing and Direct Placement:							
Other Loans - Qualified School							
Construction Bonds	1.515		7-1-26		11,280,000		3,654,915
Other Loans - Refunding	Variable		6-1-25		10,100,000		7,080,000
Other Loans - Revolving Fund							
Agreement with Appalachian							
Electric Cooperative	0		5-1-30		360,000		356,667

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, 2021, including the interest rate and other loan fees:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-21	Interest Type	Interest Rates as of 6-30-21	Other Fees on Variable Rate Debt
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Blount County Public

Building Authority

Refunding

(Series E-4-A)	\$ 10,100,000	\$ 7,080,000	Variable (1)	4.479 %	0.92 %
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- (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, 2021, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2027-2031	3,700,000	2,033,939	5,733,939
2032-2036	3,680,000	1,438,863	5,118,863
2037-2041	3,675,000	1,023,488	4,698,488
2042-2046	3,675,000	569,625	4,244,625
2047-2049	2,205,000	115,762	2,320,762
Total	\$ 20,960,000	\$ 8,133,345	\$ 29,093,345

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest (*)	Other Fees	Total
2022	\$ 2,373,854	\$ 488,005	\$ 64,861	\$ 2,926,720
2023	2,463,854	414,998	49,929	2,928,781
2024	2,558,854	337,959	34,171	2,930,984
2025	2,658,854	256,665	17,544	2,933,063
2026	813,140	170,892	0	984,032
2027-2030	223,026	14,241	0	237,267
Total	\$ 11,091,582	\$ 1,682,760	\$ 166,505	\$ 12,940,847

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

There is \$9,154,286 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$325, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized premium on debt, totaled \$516, based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2020	\$ 21,590,000	\$ 12,988,769
Additions	0	360,000
Reductions	(630,000)	(2,257,187)
Balance, June 30, 2021	<u>\$ 20,960,000</u>	<u>\$ 11,091,582</u>
Balance Due Within One Year	<u>\$ 745,000</u>	<u>\$ 2,373,854</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 32,051,582
Less: Balance Due Within One Year - Debt	(3,118,854)
Add: Unamortized Premium on Debt	<u>1,248,539</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 30,181,267</u>

See Note IV.D., Construction Commitments for a discussion of authorized debt which has not yet been issued.

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2020	\$ 442,203
Additions	109,146
Reductions	<u>(39,949)</u>
Balance, June 30, 2021	<u>\$ 511,400</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, 2021, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2020	\$ 14,683,989	\$ 241,026
Additions	2,754,184	249,332
Reductions	(2,070,161)	(241,024)
Balance, June 30, 2021	<u>\$ 15,368,012</u>	<u>\$ 249,334</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 249,334</u>

	Retirement Incentive	Retirement Honorarium
Balance, July 1, 2020	\$ 86,657	\$ 944,731
Additions	77,508	140,026
Reductions	(56,516)	(37,215)
Balance, June 30, 2021	<u>\$ 107,649</u>	<u>\$ 1,047,542</u>
Balance Due Within One Year	<u>\$ 50,057</u>	<u>\$ 54,920</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 16,772,537
Less: Balance Due Within One Year - Other	<u>(354,311)</u>

Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u>\$ 16,418,226</u>
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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, 2021, 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 Annual Comprehensive Financial Report. Payments by the state to the Education Group Insurance Plan and the Medicare Supplement Plan Local for the year ended June 30, 2021, were \$407,570 and \$137,417, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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 \$3,666,357 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 \$1,332,541 at June 30, 2021, 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 <u>Estimates</u>	<u>Payments</u>	Balance at Fiscal Year-end
2019-2020	\$	101,082	\$ 2,012,712	\$ (1,997,805)	\$ 115,989
2020-2021		115,989	2,247,171	(2,228,267)	134,893

Current year claims and estimates are presented net of contracted prescription drug rebates of \$270,349.

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 Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

GASB Statement No. 84, *Fiduciary Activities* establishes additional guidance for the identification, accounting, and reporting of fiduciary activities. The statement clarifies the four types of fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 90, *Majority Equity Interest* modifies previous guidance and provides guidance for the measurement and reporting of majority equity interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit.

Paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* became effective during the year. Paragraph 4 establishes certain component unit criteria for a legally separate entity by the primary government in the absence of a governing board. Paragraph 5 clarifies that the financial benefit burden in paragraph 7 of GASB Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through certain trusts.

C. Contingent Liabilities

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

The county is involved in pending litigation. 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.

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, 2021.

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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 49.57 percent, the non-certified employees of the discretely presented school department comprise 50.43 percent of the plan based on contribution data. The TCRS was created by state statute under

Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Member and beneficiary annuitants are entitled to 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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	450
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	680
Active Employees	672
Total	<u><u>1,802</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees 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, 2021, the employer contribution for Hamblen County was \$1,584,349 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, 2020, 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, 2020, 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, 2020, 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 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, 2019	\$ 72,329,717	\$ 74,827,548	\$ (2,497,831)
Changes for the Year:			
Service Cost	\$ 1,898,115	\$ 0	\$ 1,898,115
Interest	5,259,653	0	5,259,653
Differences Between Expected and Actual Experience	(609,801)	0	(609,801)
Contributions-Employer	0	1,552,202	(1,552,202)
Contributions-Employees	0	1,061,781	(1,061,781)
Net Investment Income	0	3,690,828	(3,690,828)
Benefit Payments, Including Refunds of Employee Contributions	(3,361,800)	(3,361,800)	0
Administrative Expense	0	(59,707)	59,707
Other Changes	0	(26,538)	26,538
Net Changes	\$ 3,186,167	\$ 2,856,766	\$ 329,401
Balance, June 30, 2020	\$ 75,515,884	\$ 77,684,314	\$ (2,168,430)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	49.57%	\$ 37,433,234	\$ 37,092,016	\$ (1,074,891)
School Department	50.43%	38,082,650	40,592,298	(1,093,539)
Total		\$ 75,515,884	\$ 77,684,314	\$ (2,168,430)

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	Current Discount Rate	1% Increase
Hamblen County	6.25%	7.25%	8.25%

Net Pension Liability (Asset)	\$	7,234,322	\$	(2,168,430)	\$	(10,014,784)
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2021, Hamblen County recognized pension expense of \$1,291,354.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 328,455	\$ 715,674
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	561,406	0
Changes in Assumptions	313,806	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	1,584,349	N/A
Total	<u>\$ 2,788,016</u>	<u>\$ 715,674</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” 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	\$ 1,395,965	\$ 354,760
School Department	1,392,051	360,914
Total	<u>\$ 2,788,016</u>	<u>\$ 715,674</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
2022	\$ (8,216)
2023	13,720
2024	263,659
2025	218,827
2026	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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 49.57 percent and the non-certified employees of the discretely presented school department comprise 50.43 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to 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, 2021, to the Teacher Retirement Plan were \$248,349, which is 2.02 percent of covered payroll. In addition, employer contributions of \$237,342, 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, 2021, the school department reported a liability (asset) of (\$470,910) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, 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, 2020, the school department's proportion was .828132 percent. The proportion as of June 30, 2019, was .846447 percent.

Pension Expense. For the year ended June 30, 2021, the school department recognized pension expense of \$190,025.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 17,494	\$ 118,009
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	38,362	0
Changes in Assumptions	14,766	0
Changes in Proportion of Net Pension Liability (Asset)	15,245	19,505
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	248,349	N/A
Total	\$ 334,216	\$ 137,514

The school department's employer contributions of \$248,349, 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, 2022. 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
2022	\$ (4,243)
2023	1,300
2024	4,127
2025	4,932
2026	(8,061)
Thereafter	(49,702)

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, 2020, 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, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 366,290 \$ (470,910) \$ (1,088,030)

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

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

credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to 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.

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, 2021, to the Teacher Legacy Pension Plan were \$3,405,293, which is 10.27 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$7,743,641) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, 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, 2020, the school department's proportion was 1.015461 percent. The proportion measured at June 30, 2019, was 1.021047 percent.

Pension Expense (negative pension expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of (\$45,748).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 294,379	\$ 3,723,005
Changes in Assumptions	703,474	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,729,463	0
Changes in Proportion of Net Pension Liability (Asset)	94,540	23,158
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	3,405,293	N/A
Total	<u>\$ 6,227,149</u>	<u>\$ 3,746,163</u>

The school department's employer contributions of \$3,405,293 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, 2022. 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
2022	\$ (1,858,750)
2023	(268,584)
2024	57,383
2025	1,145,645
2026	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, 2020, 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, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 24,082,553 \$ (7,743,641) \$ (34,135,032)

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 \$614,917 and teachers contributed \$437,738 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 Eligible for Benefits	244
Total	<u><u>248</u></u>

Total OPEB Liability

The plan's total OPEB liability of \$108,253 was measured as of June 30, 2021, 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:

Actuarial Cost Method	Entry Age
Salary Increases	3.50%
Payroll Growth Rate	2.50%
Discount Rate	2.16%
Healthcare Cost Trend Rates	7% initially 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, 2021.

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, 2020	\$ 108,292
Changes for the Year:	
Service Cost	\$ 7,432
Interest	2,445
Changes in Assumption and Other Inputs	291
Benefit Payments	<u>(10,207)</u>
Net Changes	<u>\$ (39)</u>
Balance June 30, 2021	<u><u>\$ 108,253</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the county recognized OPEB expense of \$2,696. At June 30, 2021, 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	\$ 13,389
Changes of Assumptions/Inputs	3,761	0
Total	<u>\$ 3,761</u>	<u>\$ 13,389</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
2022	\$ (7,455)
2023	(2,194)
2024	21
2025	0
2026	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 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total OPEB Liability	\$ 114,188	\$ 108,253	\$ 102,494

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

<u>Healthcare Cost Trend Rate</u>	Current		
	1% Decrease (6% decreasing to 4%)	Trend Rate (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Total OPEB Liability	\$ 97,473	\$ 108,253	\$ 121,318

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, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2020, 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	2.1%
Salary Increases	Salary increases used in the July 1, 2020 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	LEP - Based on the Getzen Model, with trend starting at 9.02% for pre-65 retirees in the 2021 calendar year, and gradually decreasing over a 10-year period to an ultimate trend rate of 4.5%. 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 2.21 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, 2020, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, 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 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the measurement date of June 30, 2020. 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 2021 plan year was revised from 6.03 percent to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 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 \$50 for eligible retirees depending on years of service.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	7
Inactive Employees Entitled to But Not Yet Receiving Benefits	14
Active Employees Eligible for Benefits	194
Total	<u>215</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, 2021, the county paid \$3,843 for OPEB benefits as they came due.

Changes in the Total OPEB Liability

Balance July 1, 2019	\$ 333,911
Changes for the Year:	
Service Cost	9,814
Interest	11,985
Difference between Expected and Actual Experience	(25,172)
Changes in Assumptions and Other Inputs	77,179
Benefit Payments	(4,570)
Net Changes	<u>\$ 69,236</u>
Balance June 30, 2020	<u>\$ 403,147</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the county recognized negative OPEB expense of \$54,350. At June 30, 2021, 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	\$ 423,077
Changes of Assumptions/Inputs	73,025	54,575
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2020	<u>3,843</u>	<u>0</u>
Total	<u>\$ 76,868</u>	<u>\$ 477,652</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
2022	\$ (76,149)
2023	(76,149)
2024	(76,149)
2025	(76,149)
2026	(64,605)
Thereafter	(35,426)

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 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 475,768	\$ 403,147	\$ 344,015

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 \$456 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 \$251 to \$510 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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	114
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	851
Total	<u>965</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 \$776,956 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Hamblen County School Department 71.3912%	State of TN 28.6088%	Total OPEB Liability
Balance July 1, 2019	\$ 14,259,590	\$ 5,358,343	\$ 19,617,933
Changes for the Year:			
Service Cost	\$ 653,014	\$ 261,684	\$ 914,698
Interest	500,765	200,673	701,438
Difference between Expected and Actuarial Experience	(994,476)	(398,519)	(1,392,995)
Changes in Proportion	(254,111)	254,111	0
Changes in Assumption and Other Inputs	1,489,639	596,948	2,086,587
Benefit Payments	(790,186)	(316,654)	(1,106,840)
Net Changes	<u>\$ 604,645</u>	<u>\$ 598,243</u>	<u>\$ 1,202,888</u>
Balance June 30, 2020	<u>\$ 14,864,235</u>	<u>\$ 5,956,586</u>	<u>\$ 20,820,821</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 recognized \$378,249 in revenues for subsidies provided by nonemployer contributing entities for benefits paid by the LEP

for school department employees.

During the year, the Hamblen County School Department's proportionate share of the collective OPEB liability was 71.3912 percent and the State of Tennessee's share was 28.6088 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$354,464, which includes expenses funded by nonemployer contributing entities. At June 30, 2021, 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	\$ 6,241,979
Changes of Assumptions/Inputs	1,658,417	1,515,609
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	1,970,291
Benefits Paid After the Measurement Date of June 30, 2020	<u>776,956</u>	<u>0</u>
Total	<u>\$ 2,435,373</u>	<u>\$ 9,727,879</u>

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

Year Ending June 30	School Department
2022	\$ (1,177,565)
2023	(1,177,656)
2024	(1,177,565)
2025	(1,177,565)
2026	(1,177,565)
Thereafter	(2,181,637)

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>		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	1.21%	2.21%	3.21%

Proportionate Share of the			
Collective Total OPEB			
Liability	\$ 15,949,400	\$ 14,864,235	\$ 13,829,784

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

<u>Healthcare Cost Trend Rate</u>		Curent	
	1%	Rates	1%
	Decrease		Increase
	8.02 to 3.5%	9.02 to 4.5%	10.02 to 5.5%

Proportionate Share of the			
Collective Total OPEB			
Liability	\$ 13,273,048	\$ 14,864,235	\$ 16,749,931

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, 2020, 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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	271
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	130
Active Employees Eligible for Benefits	912
Total	<u><u>1,313</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, 2021, the school department paid \$18,356 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Hamblen County School Department 11.7838%	State of TN 88.2162%	Total OPEB Liability
Balance July 1, 2019	\$ 424,399	\$ 3,060,686	\$ 3,485,085
Changes for the Year:			
Service Cost	\$ 7,064	\$ 52,886	\$ 59,950
Interest	14,355	107,468	121,823
Difference between Expected and Actuarial Experience	5,448	40,781	46,229
Changes in Proportion	(13,724)	13,724	0
Changes in Assumption and Other Inputs	83,899	628,091	711,990
Benefit Payments	(17,664)	(132,239)	(149,903)
Net Changes	\$ 79,378	\$ 710,711	\$ 790,089
Balance June 30, 2020	\$ 503,777	\$ 3,771,397	\$ 4,275,174

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 \$553,093 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 11.7838 percent and the State of Tennessee's share was 88.2162 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$157,059, which includes expenses funded by nonemployer contributing entities.

At June 30, 2021, 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	\$ 5,335	\$ 25,458
Changes of Assumptions/Inputs	77,012	44,674
Changes in Proportions	0	1,882,992
Benefits Paid After the Measurement Date of June 30, 2020	18,356	0
Total	<u>\$ 100,703</u>	<u>\$ 1,953,124</u>

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

Year Ending June 30	School Department
2022	\$ (417,453)
2023	(417,453)
2024	(417,453)
2025	(417,453)
2026	(210,228)
Thereafter	9,262

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 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Proportionate Share of the Collective Total OPEB Liability	\$ 584,161	\$ 503,777	\$ 438,617

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 2020-21 year, 15 employees participated in the program. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$107,649. Of that amount, \$50,057 is due within one year. The governmental funds' financial statements reflect retirement incentive expenditures of \$56,516 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, 2021, 489 employees met the requirements of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is \$1,047,542. Of that amount, \$54,920 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of \$37,215 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

Subsequent to June 30, 2021, Hamblen County issued 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.

On August 19, 2021, the county commission passed an initial resolution authorizing the issuance of not to exceed \$42,400,000 of general obligation bonds. On December 17, 2021, Hamblen County issued \$9,405,000 of the authorized bonds (General Obligation Bonds, Series 2021). See Note IV.D., Committed Construction for further discussion of authorized bonds and planned construction.

On October 18, 2021, Hamblen County entered into an agreement with Blaine Construction Corporation to construct the Hamblen County Justice Center. The contract agreement sum is \$92,208,500.

During October 2021, the Hamblen County Board of Education approved the purchase of land in the amount of \$1.5 million for a new elementary school. Final purchase documents have not been executed as of the date of this report.

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	2020
Total Pension Liability							
Service Cost	\$ 1,447,547	\$ 1,541,726	\$ 1,579,621	\$ 1,680,721	\$ 1,809,951	\$ 1,866,188	\$ 1,898,115
Interest	3,977,841	4,157,957	4,300,049	4,518,128	4,762,478	4,974,303	5,259,653
Differences Between Actual and Expected Experience	(439,779)	(1,125,375)	(209,832)	559,415	(569,584)	360,952	(609,801)
Changes in Assumptions	0	0	0	1,569,030	0	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)	(3,361,800)
Net Change in Total Pension Liability	\$ 2,314,291	\$ 1,889,146	\$ 2,919,699	\$ 5,351,017	\$ 2,961,345	\$ 3,968,225	\$ 3,186,167
Total Pension Liability, Beginning	52,925,994	55,240,285	57,129,431	60,049,130	65,400,147	68,361,492	72,329,717
Total Pension Liability, Ending (a)	\$ 55,240,285	\$ 57,129,431	\$ 60,049,130	\$ 65,400,147	\$ 68,361,492	\$ 72,329,717	\$ 75,515,884
Plan Fiduciary Net Position							
Contributions - Employer	\$ 1,550,676	\$ 1,572,279	\$ 1,662,880	\$ 1,774,445	\$ 1,852,370	\$ 1,920,593	\$ 1,552,202
Contributions - Employee	834,365	845,362	894,033	957,457	987,598	1,023,555	1,061,781
Net Investment Income	7,971,541	1,715,800	1,516,080	6,618,126	5,373,466	5,197,556	3,690,828
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)	(3,361,800)
Administrative Expense	(24,175)	(32,024)	(48,287)	(55,833)	(62,645)	(58,273)	(59,707)
Other	0	0	4,872	0	0	0	(26,538)
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	\$ 2,856,766
Plan Fiduciary Net Position, Beginning	48,193,345	55,854,434	57,270,689	58,550,128	64,868,046	69,977,335	74,827,548
Plan Fiduciary Net Position, Ending (b)	\$ 55,854,434	\$ 57,270,689	\$ 58,550,128	\$ 64,868,046	\$ 69,977,335	\$ 74,827,548	\$ 77,684,314
Net Pension Liability (Asset), Ending (a - b)	\$ (614,149)	\$ (141,258)	\$ 1,499,002	\$ 532,101	\$ (1,615,843)	\$ (2,497,831)	\$ (2,168,430)
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 101.11%	 100.25%	 97.50%	 99.19%	 102.36%	 103.45%	 102.87%
Covered Payroll	\$ 16,490,699	\$ 16,906,305	\$ 17,876,001	\$ 18,974,846	\$ 19,751,857	\$ 20,446,464	\$ 21,235,563
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.72)%	(0.84)%	8.39%	2.80%	(8.18)%	(12.22)%	(10.21)%

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

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

Exhibit F-2

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	2021
Actuarially Determined Contribution	\$ 1,550,676	\$ 1,572,279	\$ 1,662,880	\$ 1,774,445	\$ 1,852,370	\$ 1,920,593	\$ 1,352,586	\$ 1,388,818
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)	(1,552,202)	(1,584,349)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (199,616)	\$ (195,531)
Covered Payroll	\$ 16,490,699	\$ 16,906,305	\$ 17,876,001	\$ 18,974,846	\$ 19,751,857	\$ 20,446,464	\$ 21,235,563	\$ 21,734,234
Contributions as a Percentage of Covered Payroll	9.40%	9.30%	9.30%	9.35%	9.38%	9.39%	7.31%	7.29%

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

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

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	2021
Contractually Required Contribution	\$ 73,033	\$ 149,797	\$ 213,998	\$ 278,242	\$ 173,768	\$ 212,143	\$ 248,349
Less Contributions in Relation to the Contractually Required Contribution	(73,033)	(149,797)	(213,998)	(278,242)	(173,768)	(212,143)	(248,349)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,825,848	\$ 3,744,929	\$ 5,261,300	\$ 6,956,052	\$ 8,957,080	\$ 10,450,344	\$ 12,294,449
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.05%	4.00%	1.94%	2.03%	2.02%

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	2021
Contractually Required Contribution	\$ 3,207,929	\$ 3,090,554	\$ 3,043,681	\$ 3,087,195	\$ 3,092,144	\$ 3,581,208	\$ 3,592,640	\$ 3,405,293
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)	(3,592,640)	(3,405,293)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 33,797,191	\$ 33,157,669
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.02%	9.08%	10.46%	10.63%	10.27%

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

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	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.860622%	0.851112%	0.815121%	0.795997%	0.846447%	0.828132%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (35,352)	\$ (88,603)	\$ (215,056)	\$ (361,007)	\$ (477,808)	\$ (470,910)
Covered Payroll	\$ 1,825,848	\$ 3,744,929	\$ 5,278,396	\$ 6,956,052	\$ 8,957,080	\$ 10,450,344
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)%	(4.51)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.920393%	0.913250%	0.932712%	0.966078%	0.972519%	1.021047%	1.015461%
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)	\$ (7,743,641)
Covered Payroll	\$ 36,125,331	\$ 34,187,512	\$ 33,669,025	\$ 34,221,953	\$ 34,054,462	\$ 34,243,795	\$ 33,797,191
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)%	(22.91)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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	2021
Total OPEB Liability				
Service Cost	\$ 8,012	\$ 7,909	\$ 6,194	\$ 7,432
Interest	4,480	4,976	3,551	2,445
Differences Between Actual and Expected Experience	0	0	(34,147)	0
Changes in Assumptions or Other Inputs	(2,338)	3,022	8,235	291
Benefit Payments	(5,409)	(7,795)	(8,195)	(10,207)
Net Change in Total OPEB Liability	\$ 4,745	\$ 8,112	\$ (24,362)	\$ (39)
Total OPEB Liability, Beginning	119,797	124,542	132,654	108,292
Total OPEB Liability, Ending	<u>\$ 124,542</u>	<u>\$ 132,654</u>	<u>\$ 108,292</u>	<u>\$ 108,253</u>
Covered Employee Payroll	\$ 8,098,137	\$ 8,300,590	\$ 8,080,408	\$ 8,282,418
Net OPEB Liability as a Percentage of Covered Employee Payroll	1.54%	1.60%	1.34%	1.31%

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%
2021	2.16%

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

Exhibit F-8

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	2020
Total OPEB Liability				
Service Cost	\$ 42,176	\$ 36,027	\$ 24,217	\$ 9,814
Interest	25,339	29,676	24,721	11,985
Differences Between Actual and Expected Experience	0	(193,258)	(378,994)	(25,172)
Changes in Assumptions or Other Inputs	(92,045)	(6,439)	8,001	77,179
Benefit Payments	(2,550)	(4,438)	(5,388)	(4,570)
Net Change in Total OPEB Liability	\$ (27,080)	\$ (138,432)	\$ (327,443)	\$ 69,236
Total OPEB Liability, Beginning	826,866	799,786	661,354	333,911
Total OPEB Liability, Ending	<u>\$ 799,786</u>	<u>\$ 661,354</u>	<u>\$ 333,911</u>	<u>\$ 403,147</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

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

Note 2: Changes in assumptions:

The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

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	2020
Total OPEB Liability				
Service Cost	\$ 2,191,512	\$ 2,049,205	\$ 1,662,908	\$ 914,698
Interest	1,056,172	1,282,386	1,144,133	701,438
Changes in Benefit Terms	0	(2,454,445)	(4,681,775)	0
Differences Between Actual and Expected Experience	0	(3,928,886)	(6,134,679)	(1,392,995)
Changes in Assumptions or Other Inputs	(1,607,785)	681,741	(1,506,109)	2,086,587
Benefit Payments	(1,562,359)	(1,729,244)	(1,604,785)	(1,106,840)
Net Change in Total OPEB Liability	\$ 77,540	\$ (4,099,243)	\$ (11,120,307)	\$ 1,202,888
Total OPEB Liability, Beginning	34,759,943	34,837,483	30,738,240	19,617,933
Total OPEB Liability, Ending	\$ 34,837,483	\$ 30,738,240	\$ 19,617,933	\$ 20,820,821
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 7,393,385	\$ 7,028,268	\$ 5,358,343	\$ 5,956,586
Employer Proportionate Share of the Total OPEB Liability	27,444,098	23,709,972	14,259,590	14,864,235
Covered Employee Payroll	\$ 47,750,736	\$ 50,462,098	\$ 52,896,548	\$ 53,979,815
Net OPEB Liability as a Percentage of Covered Employee Payroll	57.47%	46.99%	26.96%	27.54%

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

Note 2: Changes in assumptions:

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

(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.
For the 2021 plan year - from 6.03 percent to 9.02 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	2020
Total OPEB Liability				
Service Cost	\$ 175,194	\$ 143,603	\$ 67,205	\$ 59,950
Interest	230,692	260,628	122,572	121,823
Changes in Benefit Terms	0	(3,660,869)	0	0
Differences Between Actual and Expected Experience	0	(360,073)	6,704	46,229
Changes in Assumptions or Other Inputs	(672,478)	(26,374)	44,529	711,990
Benefit Payments	(278,100)	(284,323)	(148,075)	(149,903)
Net Change in Total OPEB Liability	\$ (544,692)	\$ (3,927,408)	\$ 92,935	\$ 790,089
Total OPEB Liability, Beginning	7,864,250	7,319,558	3,392,150	3,485,085
Total OPEB Liability, Ending	<u>\$ 7,319,558</u>	<u>\$ 3,392,150</u>	<u>\$ 3,485,085</u>	<u>\$ 4,275,174</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 3,402,753	\$ 2,916,805	\$ 3,060,686	\$ 3,771,397
Employer Proportionate Share of the Total OPEB Liability	3,916,805	475,345	424,399	503,777
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

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

Note 2: Changes in assumptions:

The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

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

HAMBLEN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019, 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, 2021

	Special Revenue Funds					Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 41	\$ 0	\$ 6,665	\$ 0	\$ 6,706	\$ 0
Equity in Pooled Cash and Investments	2,519,232	241,442	0	1,479,380	4,240,054	73,461
Accounts Receivable	13,113	0	72,950	0	86,063	0
Due from Other Governments	181,455	4,489	0	534,826	720,770	5,100
Property Taxes Receivable	1,371,361	0	0	0	1,371,361	0
Allowance for Uncollectible Property Taxes	(39,641)	0	0	0	(39,641)	0
Total Assets	<u>\$ 4,045,561</u>	<u>\$ 245,931</u>	<u>\$ 79,615</u>	<u>\$ 2,014,206</u>	<u>\$ 6,385,313</u>	<u>\$ 78,561</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 120,325	\$ 467	\$ 0	\$ 70,397	\$ 191,189	\$ 6,465
Accrued Payroll	31,713	0	0	43,286	74,999	0
Due to Other Funds	0	0	79,615	0	79,615	0
Other Current Liabilities	0	0	0	0	0	2,000
Total Liabilities	<u>\$ 152,038</u>	<u>\$ 467</u>	<u>\$ 79,615</u>	<u>\$ 113,683</u>	<u>\$ 345,803</u>	<u>\$ 8,465</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,305,566	\$ 0	\$ 0	\$ 0	\$ 1,305,566	\$ 0
Deferred Delinquent Property Taxes	22,889	0	0	0	22,889	0
Other Deferred/Unavailable Revenue	34,477	0	0	306,528	341,005	0
Total Deferred Inflows of Resources	<u>\$ 1,362,932</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 306,528</u>	<u>\$ 1,669,460</u>	<u>\$ 0</u>

(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	\$ 245,464	\$ 0	\$ 0	\$ 245,464	\$ 0
Restricted for Highways/Public Works	0	0	0	1,593,995	1,593,995	0
Restricted for Capital Projects	0	0	0	0	0	7,138
Committed:						
Committed for Public Health and Welfare	2,530,591	0	0	0	2,530,591	0
Committed for Capital Projects	0	0	0	0	0	62,958
Total Fund Balances	<u>\$ 2,530,591</u>	<u>\$ 245,464</u>	<u>\$ 0</u>	<u>\$ 1,593,995</u>	<u>\$ 4,370,050</u>	<u>\$ 70,096</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,045,561</u>	<u>\$ 245,931</u>	<u>\$ 79,615</u>	<u>\$ 2,014,206</u>	<u>\$ 6,385,313</u>	<u>\$ 78,561</u>

(Continued)

Exhibit G-1

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

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Due from Other Governments
Property Taxes Receivable
Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES

Accounts Payable
Accrued Payroll
Due to Other Funds
Other Current Liabilities
Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

<u>Capital Projects Funds (Cont.)</u>			Total Nonmajor Governmental Funds
Highway Capital Projects	Total		
\$ 0	\$ 0	\$	6,706
398,789	472,250		4,712,304
0	0		86,063
0	5,100		725,870
0	0		1,371,361
0	0		(39,641)
<hr/>			
\$ 398,789	\$ 477,350	\$	6,862,663
<hr/>			
\$ 0	\$ 6,465	\$	197,654
0	0		74,999
0	0		79,615
0	2,000		2,000
<hr/>			
\$ 0	\$ 8,465	\$	354,268
<hr/>			
\$ 0	\$ 0	\$	1,305,566
0	0		22,889
0	0		341,005
<hr/>			
\$ 0	\$ 0	\$	1,669,460
<hr/>			

(Continued)

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

<u>FUND BALANCES</u>
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 Nonmajor Governmental Funds
Highway Capital Projects	Total	
\$ 0	\$ 0	\$ 245,464
0	0	1,593,995
0	7,138	7,138
0	0	2,530,591
398,789	461,747	461,747
<u>\$ 398,789</u>	<u>\$ 468,885</u>	<u>\$ 4,838,935</u>
 <u>\$ 398,789</u>	 <u>\$ 477,350</u>	 <u>\$ 6,862,663</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, 2021

	Special Revenue Funds					Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 2,993,329	\$ 0	\$ 0	\$ 149,777	\$ 3,143,106	\$ 0
Licenses and Permits	1,520	0	0	0	1,520	0
Fines, Forfeitures, and Penalties	0	167,825	0	0	167,825	0
Charges for Current Services	0	0	28,824	0	28,824	0
Other Local Revenues	15,087	9,171	0	1,575	25,833	0
State of Tennessee	18,369	0	0	2,863,444	2,881,813	0
Federal Government	0	0	0	0	0	11,308
Other Governments and Citizens Groups	0	9,417	0	29,769	39,186	0
Total Revenues	\$ 3,028,305	\$ 186,413	\$ 28,824	\$ 3,044,565	\$ 6,288,107	\$ 11,308
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 28,824	\$ 0	\$ 28,824	\$ 0
Public Safety	0	77,493	0	0	77,493	0
Public Health and Welfare	2,480,609	0	0	0	2,480,609	0
Highways	0	0	0	3,078,266	3,078,266	0
Capital Projects	0	0	0	0	0	59,408
Total Expenditures	\$ 2,480,609	\$ 77,493	\$ 28,824	\$ 3,078,266	\$ 5,665,192	\$ 59,408
Excess (Deficiency) of Revenues Over Expenditures	\$ 547,696	\$ 108,920	\$ 0	\$ (33,701)	\$ 622,915	\$ (48,100)

(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>						
Transfers In	\$ 9,788	\$ 0	\$ 0	\$ 15,188	\$ 24,976	\$ 8,450
Total Other Financing Sources (Uses)	<u>\$ 9,788</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,188</u>	<u>\$ 24,976</u>	<u>\$ 8,450</u>
Net Change in Fund Balances	\$ 557,484	\$ 108,920	\$ 0	\$ (18,513)	\$ 647,891	\$ (39,650)
Fund Balance, July 1, 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>
Fund Balance, June 30, 2021	<u><u>\$ 2,530,591</u></u>	<u><u>\$ 245,464</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,593,995</u></u>	<u><u>\$ 4,370,050</u></u>	<u><u>\$ 70,096</u></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	\$ 3,143,106
Licenses and Permits	0	0	1,520
Fines, Forfeitures, and Penalties	0	0	167,825
Charges for Current Services	0	0	28,824
Other Local Revenues	0	0	25,833
State of Tennessee	500,000	500,000	3,381,813
Federal Government	0	11,308	11,308
Other Governments and Citizens Groups	0	0	39,186
Total Revenues	<u>\$ 500,000</u>	<u>\$ 511,308</u>	<u>\$ 6,799,415</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 28,824
Public Safety	0	0	77,493
Public Health and Welfare	0	0	2,480,609
Highways	0	0	3,078,266
Capital Projects	312,225	371,633	371,633
Total Expenditures	<u>\$ 312,225</u>	<u>\$ 371,633</u>	<u>\$ 6,036,825</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 187,775</u>	<u>\$ 139,675</u>	<u>\$ 762,590</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>			
Transfers In	\$ 0	\$ 8,450	\$ 33,426
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 8,450</u>	<u>\$ 33,426</u>
Net Change in Fund Balances	\$ 187,775	\$ 148,125	\$ 796,016
Fund Balance, July 1, 2020	<u>211,014</u>	<u>320,760</u>	<u>4,042,919</u>
Fund Balance, June 30, 2021	<u><u>\$ 398,789</u></u>	<u><u>\$ 468,885</u></u>	<u><u>\$ 4,838,935</u></u>

Exhibit G-3

Hamblen County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,993,329	\$ 2,249,276	\$ 2,249,276	\$ 744,053
Licenses and Permits	1,520	1,500	1,500	20
Other Local Revenues	15,087	0	0	15,087
State of Tennessee	18,369	18,000	18,000	369
Total Revenues	<u>\$ 3,028,305</u>	<u>\$ 2,268,776</u>	<u>\$ 2,268,776</u>	<u>\$ 759,529</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 2,480,609	\$ 2,518,814	\$ 2,626,135	\$ 145,526
Total Expenditures	<u>\$ 2,480,609</u>	<u>\$ 2,518,814</u>	<u>\$ 2,626,135</u>	<u>\$ 145,526</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 547,696</u>	<u>\$ (250,038)</u>	<u>\$ (357,359)</u>	<u>\$ 905,055</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 9,788	0	\$ 9,788	0
Total Other Financing Sources	<u>\$ 9,788</u>	<u>0</u>	<u>\$ 9,788</u>	<u>0</u>
Net Change in Fund Balance	\$ 557,484	\$ (250,038)	\$ (347,571)	\$ 905,055
Fund Balance, July 1, 2020	<u>1,973,107</u>	<u>2,061,540</u>	<u>2,056,215</u>	<u>(83,108)</u>
Fund Balance, June 30, 2021	<u><u>\$ 2,530,591</u></u>	<u><u>\$ 1,811,502</u></u>	<u><u>\$ 1,708,644</u></u>	<u><u>\$ 821,947</u></u>

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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 167,825	\$ 29,000	\$ 30,500	\$ 137,325
Other Local Revenues	9,171	250	250	8,921
Other Governments and Citizens Groups	9,417	10,000	10,000	(583)
Total Revenues	<u>\$ 186,413</u>	<u>\$ 39,250</u>	<u>\$ 40,750</u>	<u>\$ 145,663</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 77,493	\$ 130,411	\$ 147,538	\$ 70,045
Total Expenditures	<u>\$ 77,493</u>	<u>\$ 130,411</u>	<u>\$ 147,538</u>	<u>\$ 70,045</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 108,920</u>	<u>\$ (91,161)</u>	<u>\$ (106,788)</u>	<u>\$ 215,708</u>
Net Change in Fund Balance	\$ 108,920	\$ (91,161)	\$ (106,788)	\$ 215,708
Fund Balance, July 1, 2020	<u>136,544</u>	<u>121,023</u>	<u>135,023</u>	<u>1,521</u>
Fund Balance, June 30, 2021	<u><u>\$ 245,464</u></u>	<u><u>\$ 29,862</u></u>	<u><u>\$ 28,235</u></u>	<u><u>\$ 217,229</u></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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 149,777	\$ 0	\$ 0	\$ 149,777	\$ 131,700	\$ 131,700	\$ 18,077
Other Local Revenues	1,575	0	0	1,575	0	0	1,575
State of Tennessee	2,863,444	0	0	2,863,444	2,740,067	2,865,507	(2,063)
Other Governments and Citizens Groups	29,769	0	0	29,769	0	0	29,769
Total Revenues	\$ 3,044,565	\$ 0	\$ 0	\$ 3,044,565	\$ 2,871,767	\$ 2,997,207	\$ 47,358
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 416,106	\$ 0	\$ 1,170	\$ 417,276	\$ 441,596	\$ 437,097	\$ 19,821
Highway and Bridge Maintenance	1,451,602	0	0	1,451,602	1,580,621	1,661,342	209,740
Operation and Maintenance of Equipment	314,474	(4,041)	1,000	311,433	349,484	395,679	84,246
Employee Benefits	15,391	0	0	15,391	24,725	24,725	9,334
Capital Outlay	880,693	(240,423)	302,439	942,709	714,000	884,000	(58,709)
Total Expenditures	\$ 3,078,266	\$ (244,464)	\$ 304,609	\$ 3,138,411	\$ 3,110,426	\$ 3,402,843	\$ 264,432
Excess (Deficiency) of Revenues Over Expenditures	\$ (33,701)	\$ 244,464	\$ (304,609)	\$ (93,846)	\$ (238,659)	\$ (405,636)	\$ 311,790
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 15,188	\$ 0	\$ 0	\$ 15,188	\$ 0	\$ 15,188	\$ 0
Total Other Financing Sources	\$ 15,188	\$ 0	\$ 0	\$ 15,188	\$ 0	\$ 15,188	\$ 0
Net Change in Fund Balance	\$ (18,513)	\$ 244,464	\$ (304,609)	\$ (78,658)	\$ (238,659)	\$ (390,448)	\$ 311,790
Fund Balance, July 1, 2020	1,612,508	(244,464)	0	1,368,044	1,557,939	1,542,797	(174,753)
Fund Balance, June 30, 2021	\$ 1,593,995	\$ 0	\$ (304,609)	\$ 1,289,386	\$ 1,319,280	\$ 1,152,349	\$ 137,037

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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
State of Tennessee	\$ 500,000	\$ 0	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0
Total Revenues	\$ 500,000	\$ 0	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0
<u>Expenditures</u>						
<u>Capital Projects</u>						
Highway and Street Capital Projects	\$ 312,225	\$ (34,550)	\$ 277,675	\$ 500,000	\$ 500,000	\$ 222,325
Total Expenditures	\$ 312,225	\$ (34,550)	\$ 277,675	\$ 500,000	\$ 500,000	\$ 222,325
Excess (Deficiency) of Revenues Over Expenditures	\$ 187,775	\$ 34,550	\$ 222,325	\$ 0	\$ 0	\$ 222,325
Net Change in Fund Balance	\$ 187,775	\$ 34,550	\$ 222,325	\$ 0	\$ 0	\$ 222,325
Fund Balance, July 1, 2020	211,014	(34,550)	176,464	179,068	179,068	(2,604)
Fund Balance, June 30, 2021	\$ 398,789	\$ 0	\$ 398,789	\$ 179,068	\$ 179,068	\$ 219,721

Major Governmental Fund

General Debt Service Fund

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

Exhibit 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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,152,961	\$ 5,941,997	\$ 5,941,997	\$ 210,964
Fines, Forfeitures, and Penalties	58,772	35,600	35,600	23,172
Other Local Revenues	770,577	900,000	900,000	(129,423)
Total Revenues	<u>\$ 6,982,310</u>	<u>\$ 6,877,597</u>	<u>\$ 6,877,597</u>	<u>\$ 104,713</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 387,113	\$ 385,000	\$ 388,334	\$ 1,221
Highways and Streets	327,096	305,000	327,096	0
Education	2,172,978	2,200,000	2,177,904	4,926
<u>Interest on Debt</u>				
General Government	410,024	645,000	638,066	228,042
Highways and Streets	14,752	18,000	15,644	892
Education	835,975	875,000	877,356	41,381
<u>Other Debt Service</u>				
General Government	116,442	125,000	125,000	8,558
Education	18,586	16,280	19,880	1,294
Total Expenditures	<u>\$ 4,282,966</u>	<u>\$ 4,569,280</u>	<u>\$ 4,569,280</u>	<u>\$ 286,314</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,699,344</u>	<u>\$ 2,308,317</u>	<u>\$ 2,308,317</u>	<u>\$ 391,027</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 300,000	\$ 300,000	\$ (300,000)
Transfers Out	0	(300,000)	(300,000)	300,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 2,699,344	\$ 2,308,317	\$ 2,308,317	\$ 391,027
Fund Balance, July 1, 2020	<u>6,454,942</u>	<u>6,419,477</u>	<u>6,419,477</u>	<u>35,465</u>
Fund Balance, June 30, 2021	<u><u>\$ 9,154,286</u></u>	<u><u>\$ 8,727,794</u></u>	<u><u>\$ 8,727,794</u></u>	<u><u>\$ 426,492</u></u>

Custodial Funds

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

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

Constitutional Officers – Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in 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, litigants, heirs, and others.

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

Exhibit I-1

Hamblen County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2021

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Due from Other Governments
Total Assets

Custodial Funds			
Cities - Sales Tax	Constitu - tional Officers - Custodial	Other Custodial	Total
\$ 0	\$ 4,022,516	\$ 0	\$ 4,022,516
0	0	6,451	6,451
0	49	0	49
2,717,906	0	0	2,717,906
<u>\$ 2,717,906</u>	<u>\$ 4,022,565</u>	<u>\$ 6,451</u>	<u>\$ 6,746,922</u>

LIABILITIES

Due to Other Taxing Units
Total Liabilities

\$ 2,717,906	\$ 0	\$ 0	\$ 2,717,906
<u>\$ 2,717,906</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,717,906</u>

NET POSITION

Restricted for Individuals, Organizations, and Other Governments
Total Net Position

\$ 0	\$ 4,022,565	\$ 6,451	\$ 4,029,016
<u>\$ 0</u>	<u>\$ 4,022,565</u>	<u>\$ 6,451</u>	<u>\$ 4,029,016</u>

Exhibit I-2

Hamblen County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Custodial Funds			
	Cities -	Constitu -	Other	Total
	Sales	tional	Custodial	
	Tax	Officers -		
		Custodial		
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 15,235,305	\$ 0	\$ 0	\$ 15,235,305
Fines/Fees and Other Collections	0	12,428,117	0	12,428,117
Other Employee Benefit Charges/Contributions	0	0	25,875	25,875
Total Additions	\$ 15,235,305	\$ 12,428,117	\$ 25,875	\$ 27,689,297
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 15,235,305	\$ 0	\$ 0	\$ 15,235,305
Payments to State	0	5,556,046	0	5,556,046
Payments to Individuals and Others	0	5,427,341	0	5,427,341
Payments of Fringe Benefit Expenses	0	0	25,016	25,016
Total Deductions	\$ 15,235,305	\$ 10,983,387	\$ 25,016	\$ 26,243,708
Change in Net Position	\$ 0	\$ 1,444,730	\$ 859	\$ 1,445,589
Net Position July 1, 2020	0	0	5,592	5,592
Restatement - See Note I.D.10	0	2,577,835	0	2,577,835
Net Position June 30, 2021	\$ 0	\$ 4,022,565	\$ 6,451	\$ 4,029,016

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, three Special Revenue Funds, and one Capital Projects Fund.

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations 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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 60,441,206	\$ 264,614	\$ 6,623,577	\$ 428,352	\$ (53,124,663)
Support Services	32,064,129	170,023	2,560,947	0	(29,333,159)
Operation of Non-instructional Services	11,181,367	206,201	11,015,113	0	39,947
Total Governmental Activities	<u>\$ 103,686,702</u>	<u>\$ 640,838</u>	<u>\$ 20,199,637</u>	<u>\$ 428,352</u>	<u>\$ (82,417,875)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 13,566,987
Local Option Sales Taxes					17,028,985
Mixed Drink Tax					70,300
Grants and Contributions Not Restricted to Specific Programs					60,063,430
Unrestricted Investment Income					19,854
Gain on Investments					124,544
Miscellaneous					42,238
Gain on Disposal of Capital Assets					42,285
Total General Revenues					<u>\$ 90,958,623</u>
Change in Net Position					\$ 8,540,748
Net Position, July 1, 2020					66,612,676
Restatement - See Note I.D.10.					<u>2,178,141</u>
Net Position, June 30, 2021					<u><u>\$ 77,331,565</u></u>

Exhibit J-2

Hamblen County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Hamblen County School Department
 June 30, 2021

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 2,459,238	\$ 2,459,238
Equity in Pooled Cash and Investments	14,029,732	5,441,899	41,846	19,513,477
Inventories	0	88,739	2,307	91,046
Accounts Receivable	85,541	23,325	0	108,866
Due from Other Governments	3,957,883	201,123	833,716	4,992,722
Due from Other Funds	458,482	8,972	0	467,454
Due from Primary Government	0	0	603,351	603,351
Property Taxes Receivable	12,500,377	0	0	12,500,377
Allowance for Uncollectible Property Taxes	(397,241)	0	0	(397,241)
Restricted Assets	767,442	0	0	767,442
Total Assets	<u>\$ 31,402,216</u>	<u>\$ 5,764,058</u>	<u>\$ 3,940,458</u>	<u>\$ 41,106,732</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 317,185	\$ 34,049	\$ 233,433	\$ 584,667
Accrued Payroll	377,941	3,382	6,900	388,223
Payroll Deductions Payable	0	0	58,594	58,594
Due to Other Funds	8,972	369,936	88,546	467,454
Other Current Liabilities	0	81,555	0	81,555
Total Liabilities	<u>\$ 704,098</u>	<u>\$ 488,922</u>	<u>\$ 387,473</u>	<u>\$ 1,580,493</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 11,813,278	\$ 0	\$ 0	\$ 11,813,278
Deferred Delinquent Property Taxes	268,931	0	0	268,931

(Continued)

Exhibit J-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 1,517,025	\$ 0	\$ 0	\$ 1,517,025
Total Deferred Inflows of Resources	\$ 13,599,234	\$ 0	\$ 0	\$ 13,599,234
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 88,739	\$ 2,307	\$ 91,046
Restricted:				
Restricted for Education	117,625	5,186,397	2,459,238	7,763,260
Restricted for Capital Projects	0	0	591,440	591,440
Restricted for Hybrid Retirement Stabilization Funds	767,442	0	0	767,442
Committed:				
Committed for Education	506,661	0	500,000	1,006,661
Assigned:				
Assigned for Education	2,195,725	0	0	2,195,725
Assigned for Capital Projects	4,109,569	0	0	4,109,569
Unassigned	9,401,862	0	0	9,401,862
Total Fund Balances	\$ 17,098,884	\$ 5,275,136	\$ 3,552,985	\$ 25,927,005
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,402,216	\$ 5,764,058	\$ 3,940,458	\$ 41,106,732

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, 2021

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)		\$	25,927,005
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.			
Add: land	\$	4,818,977	
Add: construction in progress		294,368	
Add: buildings and improvements net of accumulated depreciation		45,778,629	
Add: other capital assets net of accumulated depreciation		<u>11,627,180</u>	62,519,154
(2) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			1,785,956
(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	\$	(15,368,012)	
Less: compensated absences payable		(249,334)	
Less: retirement incentive		(107,649)	
Less: retirement honorarium		<u>(1,047,542)</u>	(16,772,537)
(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	\$	7,953,416	
Less: deferred inflows of resources related to pensions		(4,244,591)	
Add: deferred outflows of resources related to OPEB		2,536,076	
Less: deferred inflows of resources related to OPEB		<u>(11,681,004)</u>	(5,436,103)
(5) Net pensions assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	1,093,539	
Add: net pension asset - teacher retirement plan		470,910	
Add: net pension asset - teacher legacy pension plan		<u>7,743,641</u>	9,308,090
Net position of governmental activities (Exhibit A)			<u><u>\$ 77,331,565</u></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, 2021

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 31,011,706	\$ 0	\$ 0	\$ 31,011,706
Charges for Current Services	412,133	225,036	0	637,169
Other Local Revenues	598,593	19,854	3,412,841	4,031,288
State of Tennessee	59,784,286	90,210	0	59,874,496
Federal Government	773,613	6,581,901	8,784,817	16,140,331
Total Revenues	<u>\$ 92,580,331</u>	<u>\$ 6,917,001</u>	<u>\$ 12,197,658</u>	<u>\$ 111,694,990</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 57,017,779	\$ 0	\$ 7,325,492	\$ 64,343,271
Support Services	27,006,443	0	1,404,840	28,411,283
Operation of Non-Instructional Services	2,138,830	6,315,289	3,129,437	11,583,556
Capital Outlay	2,218,920	0	0	2,218,920
Debt Service:				
Other Debt Service	500,000	0	0	500,000
Capital Projects	0	0	7,367,070	7,367,070
Total Expenditures	<u>\$ 88,881,972</u>	<u>\$ 6,315,289</u>	<u>\$ 19,226,839</u>	<u>\$ 114,424,100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,698,359</u>	<u>\$ 601,712</u>	<u>\$ (7,029,181)</u>	<u>\$ (2,729,110)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 52,586	\$ 0	\$ 0	\$ 52,586
Transfers In	431,396	1,346	0	432,742
Transfers Out	(1,346)	(365,000)	(66,396)	(432,742)
Total Other Financing Sources (Uses)	<u>\$ 482,636</u>	<u>\$ (363,654)</u>	<u>\$ (66,396)</u>	<u>\$ 52,586</u>

(Continued)

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
Net Change in Fund Balances	\$ 4,180,995	\$ 238,058	\$ (7,095,577)	\$ (2,676,524)
Restatement - See Note I.D.10	0	0	2,178,141	2,178,141
Fund Balance, July 1, 2020	12,917,889	5,037,078	8,470,421	26,425,388
Fund Balance, June 30, 2021	<u>\$ 17,098,884</u>	<u>\$ 5,275,136</u>	<u>\$ 3,552,985</u>	<u>\$ 25,927,005</u>

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, 2021

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)		\$ (2,676,524)
(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	\$ 10,286,760	
Less: current-year depreciation expense	<u>(3,926,955)</u>	6,359,805
(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		(683)
(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, 2021	\$ 1,785,956	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(1,654,999)</u>	130,957
(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	\$ (8,308)	
Change in other postemployment benefits liability	(684,023)	
Change in retirement incentive	(20,992)	
Change in retirement honorarium	(102,811)	
Change in net pension asset/liability	(2,944,062)	
Change in deferred outflows related to pensions	599,163	
Change in deferred inflows related to pensions	5,973,241	
Change in deferred outflows related to OPEB	1,406,201	
Change in deferred inflows related to OPEB	<u>508,784</u>	<u>4,727,193</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,540,748</u>

Exhibit J-6

Hamblen County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hamblen County School Department
June 30, 2021

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Internal School	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 2,459,238	\$ 2,459,238	\$ 0	\$ 2,459,238
Equity in Pooled Cash and Investments	41,846	0	41,846	0	41,846
Inventories	0	2,307	2,307	0	2,307
Due from Other Governments	833,716	0	833,716	0	833,716
Due from Primary Government	0	0	0	603,351	603,351
Total Assets	<u>\$ 875,562</u>	<u>\$ 2,461,545</u>	<u>\$ 3,337,107</u>	<u>\$ 603,351</u>	<u>\$ 3,940,458</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 233,433	\$ 0	\$ 233,433	\$ 0	\$ 233,433
Accrued Payroll	6,900	0	6,900	0	6,900
Payroll Deductions Payable	58,594	0	58,594	0	58,594
Due to Other Funds	76,635	0	76,635	11,911	88,546
Total Liabilities	<u>\$ 375,562</u>	<u>\$ 0</u>	<u>\$ 375,562</u>	<u>\$ 11,911</u>	<u>\$ 387,473</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 2,307	\$ 2,307	\$ 0	\$ 2,307
Restricted:					
Restricted for Education	0	2,459,238	2,459,238	0	2,459,238
Restricted for Capital Projects	0	0	0	591,440	591,440
Committed:					
Committed for Education	500,000	0	500,000	0	500,000
Total Fund Balances	<u>\$ 500,000</u>	<u>\$ 2,461,545</u>	<u>\$ 2,961,545</u>	<u>\$ 591,440</u>	<u>\$ 3,552,985</u>
Total Liabilities and Fund Balances	<u>\$ 875,562</u>	<u>\$ 2,461,545</u>	<u>\$ 3,337,107</u>	<u>\$ 603,351</u>	<u>\$ 3,940,458</u>

Exhibit J-7

Hamblen County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Hamblen County School Department
For the Year Ended June 30, 2021

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Internal School	Total	Education Capital Projects	
<u>Revenues</u>					
Other Local Revenues	\$ 0	\$ 3,412,841	\$ 3,412,841	\$ 0	\$ 3,412,841
Federal Government	8,784,817	0	8,784,817	0	8,784,817
Total Revenues	\$ 8,784,817	\$ 3,412,841	\$ 12,197,658	\$ 0	\$ 12,197,658
<u>Expenditures</u>					
Current:					
Instruction	\$ 7,325,492	\$ 0	\$ 7,325,492	\$ 0	\$ 7,325,492
Support Services	1,404,840	0	1,404,840	0	1,404,840
Operation of Non-Instructional Services	0	3,129,437	3,129,437	0	3,129,437
Capital Projects	0	0	0	7,367,070	7,367,070
Total Expenditures	\$ 8,730,332	\$ 3,129,437	\$ 11,859,769	\$ 7,367,070	\$ 19,226,839
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,485	\$ 283,404	\$ 337,889	\$ (7,367,070)	\$ (7,029,181)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (54,485)	\$ 0	\$ (54,485)	\$ (11,911)	\$ (66,396)
Total Other Financing Sources (Uses)	\$ (54,485)	\$ 0	\$ (54,485)	\$ (11,911)	\$ (66,396)
Net Change in Fund Balances	\$ 0	\$ 283,404	\$ 283,404	\$ (7,378,981)	\$ (7,095,577)
Restatement - See Note I.D.10	0	2,178,141	2,178,141	0	2,178,141
Fund Balance, July 1, 2020	500,000	0	500,000	7,970,421	8,470,421
Fund Balance, June 30, 2021	\$ 500,000	\$ 2,461,545	\$ 2,961,545	\$ 591,440	\$ 3,552,985

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
General Purpose School Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 31,011,706	\$ 0	\$ 0	\$ 31,011,706	\$ 27,356,092	\$ 27,356,092	\$ 3,655,614
Charges for Current Services	412,133	0	0	412,133	807,000	807,000	(394,867)
Other Local Revenues	598,593	0	0	598,593	186,654	353,278	245,315
State of Tennessee	59,784,286	0	0	59,784,286	57,506,937	59,924,993	(140,707)
Federal Government	773,613	0	0	773,613	51,299	834,329	(60,716)
Total Revenues	\$ 92,580,331	\$ 0	\$ 0	\$ 92,580,331	\$ 85,907,982	\$ 89,275,692	\$ 3,304,639
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 46,188,473	\$ (296,747)	\$ 209,639	\$ 46,101,365	\$ 46,311,972	\$ 48,330,926	\$ 2,229,561
Special Education Program	7,000,192	(20,384)	5,434	6,985,242	7,228,264	7,319,987	334,745
Career and Technical Education Program	3,659,051	(3,626)	66,654	3,722,079	3,667,898	3,829,414	107,335
Student Body Education Program	170,063	(3,780)	0	166,283	213,000	214,901	48,618
<u>Support Services</u>							
Attendance	983	0	0	983	4,000	4,000	3,017
Health Services	978,342	0	4,032	982,374	842,897	1,019,951	37,577
Other Student Support	1,681,311	0	5,500	1,686,811	1,739,574	1,752,823	66,012
Regular Instruction Program	2,771,338	(31,403)	30,615	2,770,550	2,624,967	2,953,447	182,897
Special Education Program	1,054,619	0	0	1,054,619	1,131,788	1,203,645	149,026
Career and Technical Education Program	246,425	0	0	246,425	251,759	297,340	50,915
Technology	1,823,107	(84,490)	14,260	1,752,877	1,777,033	1,781,051	28,174
Other Programs	544,987	0	0	544,987	0	544,987	0
Board of Education	1,202,595	(1,415)	8,786	1,209,966	1,314,757	1,353,657	143,691
Director of Schools	665,691	(489)	1,280	666,482	701,505	703,273	36,791
Office of the Principal	5,061,449	0	0	5,061,449	5,122,799	5,173,540	112,091
Fiscal Services	555,401	(2,500)	297	553,198	571,795	573,364	20,166
Operation of Plant	5,710,459	(5,235)	13,914	5,719,138	6,488,276	6,504,702	785,564
Maintenance of Plant	1,520,464	(10,754)	39,145	1,548,855	1,590,799	1,595,673	46,818
Transportation	3,189,272	(22,629)	14,361	3,181,004	3,775,344	3,871,537	690,533

(Continued)

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
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	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	\$ 486,883	\$ (1,600)	\$ 4,625	\$ 489,908	\$ 450,092	\$ 508,882	\$ 18,974
Early Childhood Education	1,115,282	(663)	3,290	1,117,909	1,131,321	1,159,229	41,320
COVID-19 Expenditures	536,665	0	0	536,665	0	536,665	0
<u>Capital Outlay</u>							
Regular Capital Outlay	2,218,920	(1,141,975)	522,567	1,599,512	500,000	2,850,000	1,250,488
<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	\$ 88,881,972	\$ (1,627,690)	\$ 944,399	\$ 88,198,681	\$ 87,939,840	\$ 94,582,994	\$ 6,384,313
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 3,698,359	\$ 1,627,690	\$ (944,399)	\$ 4,381,650	\$ (2,031,858)	\$ (5,307,302)	\$ 9,688,952
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 52,586	\$ 0	\$ 0	\$ 52,586	\$ 10,000	\$ 10,000	\$ 42,586
Transfers In	431,396	0	0	431,396	429,684	429,684	1,712
Transfers Out	(1,346)	0	0	(1,346)	(28,244)	(28,244)	26,898
Total Other Financing Sources	\$ 482,636	\$ 0	\$ 0	\$ 482,636	\$ 411,440	\$ 411,440	\$ 71,196
Net Change in Fund Balance							
Fund Balance, July 1, 2020	\$ 4,180,995	\$ 1,627,690	\$ (944,399)	\$ 4,864,286	\$ (1,620,418)	\$ (4,895,862)	\$ 9,760,148
	12,917,889	(1,627,690)	0	11,290,199	12,732,197	12,732,197	(1,441,998)
Fund Balance, June 30, 2021							
	\$ 17,098,884	\$ 0	\$ (944,399)	\$ 16,154,485	\$ 11,111,779	\$ 7,836,335	\$ 8,318,150

Exhibit J-9

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, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 8,784,817	\$ 0	\$ 8,784,817	\$ 8,461,660	\$ 20,705,725	\$ (11,920,908)
Total Revenues	\$ 8,784,817	\$ 0	\$ 8,784,817	\$ 8,461,660	\$ 20,705,725	\$ (11,920,908)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 4,954,636	\$ 1,372,796	\$ 6,327,432	\$ 4,168,792	\$ 11,255,212	\$ 4,927,780
Special Education Program	2,201,253	0	2,201,253	2,540,801	2,605,626	404,373
Career and Technical Education Program	169,603	0	169,603	126,140	454,062	284,459
<u>Support Services</u>						
Health Services	139,670	0	139,670	117,473	510,695	371,025
Other Student Support	77,952	0	77,952	108,030	319,213	241,261
Regular Instruction Program	848,960	53,924	902,884	1,144,560	1,889,645	986,761
Special Education Program	167,844	0	167,844	50,441	196,747	28,903
Career and Technical Education Program	350	0	350	10,000	350	0
Technology	45,000	70,126	115,126	0	159,100	43,974
Office of the Principal	12,998	0	12,998	2,831	17,108	4,110
Operation of Plant	99,565	500,647	600,212	3,000	1,010,754	410,542
Maintenance of Plant	0	0	0	0	7,000	7,000
Transportation	12,501	0	12,501	28,839	154,979	142,478
<u>Operation of Non-Instructional Services</u>						
Community Services	0	0	0	100,000	110,000	110,000
<u>Capital Outlay</u>						
Regular Capital Outlay	0	0	0	0	1,956,793	1,956,793
Total Expenditures	\$ 8,730,332	\$ 1,997,493	\$ 10,727,825	\$ 8,400,907	\$ 20,647,284	\$ 9,919,459

(Continued)

Exhibit J-9

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)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,485	\$ (1,997,493)	\$ (1,943,008)	\$ 60,753	\$ 58,441	\$ (2,001,449)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (54,485)	\$ 0	\$ (54,485)	\$ (60,753)	\$ (58,441)	\$ 3,956
Total Other Financing Sources	\$ (54,485)	\$ 0	\$ (54,485)	\$ (60,753)	\$ (58,441)	\$ 3,956
Net Change in Fund Balance	\$ 0	\$ (1,997,493)	\$ (1,997,493)	\$ 0	\$ 0	\$ (1,997,493)
Fund Balance, July 1, 2020	500,000	0	500,000	0	0	500,000
Fund Balance, June 30, 2021	\$ 500,000	\$ (1,997,493)	\$ (1,497,493)	\$ 0	\$ 0	\$ (1,497,493)

Exhibit J-10

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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 225,036	\$ 0	\$ 225,036	\$ 1,132,000	\$ 1,132,000	\$ (906,964)
Other Local Revenues	19,854	0	19,854	25,000	25,000	(5,146)
State of Tennessee	90,210	0	90,210	60,000	60,000	30,210
Federal Government	6,581,901	0	6,581,901	5,780,222	5,780,222	801,679
Total Revenues	<u>\$ 6,917,001</u>	<u>\$ 0</u>	<u>\$ 6,917,001</u>	<u>\$ 6,997,222</u>	<u>\$ 6,997,222</u>	<u>\$ (80,221)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 6,315,289	\$ (640,090)	\$ 5,675,199	\$ 7,916,109	\$ 7,919,366	\$ 2,244,167
Total Expenditures	<u>\$ 6,315,289</u>	<u>\$ (640,090)</u>	<u>\$ 5,675,199</u>	<u>\$ 7,916,109</u>	<u>\$ 7,919,366</u>	<u>\$ 2,244,167</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 601,712</u>	<u>\$ 640,090</u>	<u>\$ 1,241,802</u>	<u>\$ (918,887)</u>	<u>\$ (922,144)</u>	<u>\$ 2,163,946</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 1,346	\$ 0	\$ 1,346	\$ 0	\$ 0	\$ 1,346
Transfers Out	(365,000)	0	(365,000)	(365,000)	(365,000)	0
Total Other Financing Sources	<u>\$ (363,654)</u>	<u>\$ 0</u>	<u>\$ (363,654)</u>	<u>\$ (365,000)</u>	<u>\$ (365,000)</u>	<u>\$ 1,346</u>
Net Change in Fund Balance	\$ 238,058	\$ 640,090	\$ 878,148	\$ (1,283,887)	\$ (1,287,144)	\$ 2,165,292
Fund Balance, July 1, 2020	<u>5,037,078</u>	<u>(640,090)</u>	<u>4,396,988</u>	<u>4,358,320</u>	<u>4,358,320</u>	<u>38,668</u>
Fund Balance, June 30, 2021	<u><u>\$ 5,275,136</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,275,136</u></u>	<u><u>\$ 3,074,433</u></u>	<u><u>\$ 3,071,176</u></u>	<u><u>\$ 2,203,960</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Hamblen County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-21
<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	\$ 8,630,000	\$ 0	\$ 1,550,000	\$ 7,080,000
Qualified School Construction Bonds	11,280,000	1.515 %	12-17-09	7-1-26	4,358,769	0	703,854	3,654,915
Revolving Fund Loan Agreement with Appalachian Electric Cooperative	360,000	0	7-20-20	5-1-30	0	360,000	3,333	356,667
Total Payable through General Debt Service Fund					<u>\$ 12,988,769</u>	<u>\$ 360,000</u>	<u>\$ 2,257,187</u>	<u>\$ 11,091,582</u>
Total Other Loans Payable					<u>\$ 12,988,769</u>	<u>\$ 360,000</u>	<u>\$ 2,257,187</u>	<u>\$ 11,091,582</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	\$ 1,595,000	\$ 0	\$ 630,000	\$ 965,000
General Obligation Bonds, Series 2020A	19,995,000	2-5	1-31-20	6-1-49	19,995,000	0	0	19,995,000
Total Payable through General Debt Service Fund					<u>\$ 21,590,000</u>	<u>\$ 0</u>	<u>\$ 630,000</u>	<u>\$ 20,960,000</u>
Total Bonds Payable					<u>\$ 21,590,000</u>	<u>\$ 0</u>	<u>\$ 630,000</u>	<u>\$ 20,960,000</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			
	Principal	Interest	Other Fees	Total
2022	\$ 2,373,854	\$ 488,005	\$ 64,861	\$ 2,926,720
2023	2,463,854	414,998	49,929	2,928,781
2024	2,558,854	337,959	34,171	2,930,984
2025	2,658,854	256,665	17,544	2,933,063
2026	813,140	170,892	0	984,032
2027	106,359	14,241	0	120,600
2028	40,000	0	0	40,000
2029	40,000	0	0	40,000
2030	36,667	0	0	36,667
Total	\$ 11,091,582	\$ 1,682,760	\$ 166,505	\$ 12,940,847

Year Ending June 30	Bonds		Total
	Principal	Interest	
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	\$ 20,960,000	\$ 8,133,345	\$ 29,093,345

Exhibit K-3

Hamblen County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Hamblen County School Department

For the Year Ended June 30, 2021

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Solid Waste/Sanitation	Reimburse Grant Expenditures	\$ 9,788
"	Highway/Public Works	Reimburse Grant Expenditures	15,188
"	General Capital Projects	Reimburse Grant Expenditures	<u>8,450</u>
Total Transfers Primary Government			<u>\$ 33,426</u>
<u>DISCRETELY PRESENTED HAMBLEN COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ 54,485
Central Cafeteria	"	Indirect Costs	365,000
Education Capital Projects	"	Capital Projects	11,911
General Purpose School	Central Cafeteria	Reimburse Expenditures	<u>1,346</u>
Total Transfers Discretely Presented Hamblen County School Department			<u>\$ 432,742</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, 2021

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 107,679	\$ 400,000	Tennessee Risk Management Trust
Highway Superintendent	Section 8-24-102, <i>TCA</i>	99,813	400,000	"
Director of Schools	State Board of Education and County Board of Education	179,530 (1)	100,000	The Ohio Casualty Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	90,740	2,985,873	The Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	92,772 (2)	400,000	Tennessee Risk Management Trust
Finance Director	County Commission	86,552	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	90,740 (3)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	106,091 (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 \$28,824.

(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, 2021

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,794,699	\$ 1,264,660	\$ 0	\$ 0	\$ 0	\$ 5,516,477
Discount on Property Taxes	525,405	0	0	0	0	0
Trustee's Collections - Prior Year	258,985	28,013	0	0	0	129,590
Trustee's Collections - Bankruptcy	1,204	59	0	0	0	606
Circuit Clerk/Clerk and Master Collections - Prior Years	215,324	30,602	0	0	0	112,631
Interest and Penalty	165,531	22,955	0	0	0	85,957
Payments in-Lieu-of Taxes - T.V.A.	804	272	0	0	0	441
Payments in-Lieu-of Taxes - Local Utilities	162,470	0	0	0	0	87,084
Payments in-Lieu-of Taxes - Other	61,901	0	0	0	0	17,304
<u>County Local Option Taxes</u>						
Local Option Sales Tax	9,855	1,510,589	0	0	86,000	63,000
Hotel/Motel Tax	15,562	0	0	0	0	0
Wheel Tax	1,650,103	0	0	0	0	0
Litigation Tax - General	108,108	0	0	0	0	0
Litigation Tax - Special Purpose	41,842	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	546	0	0	0	0	83,661
Litigation Tax - Courthouse Security	93,704	0	0	0	0	0
Business Tax	1,169,145	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	63,777	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	56,210
Wholesale Beer Tax	0	136,179	0	0	0	0
Total Local Taxes	\$ 14,275,188	\$ 2,993,329	\$ 0	\$ 0	\$ 149,777	\$ 6,152,961

(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	\$ 5,320	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	350,326	0	0	0	0	0
<u>Permits</u>						
Beer Permits	0	1,520	0	0	0	0
Building Permits	161,081	0	0	0	0	0
Total Licenses and Permits	\$ 516,727	\$ 1,520	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 4,173	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	17,455	0	0	0	0	0
Drug Control Fines	14,641	0	3,331	0	0	0
Drug Court Fees	2,003	0	0	0	0	0
Jail Fees	6,519	0	0	0	0	2,147
DUI Treatment Fines	1,001	0	0	0	0	0
Data Entry Fee - Circuit Court	4,832	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	21,556	0	0	0	0	0
Fines for Littering	104	0	0	0	0	0
Officers Costs	42,041	0	0	0	0	0
Game and Fish Fines	187	0	0	0	0	0
Drug Control Fines	0	0	9,250	0	0	0
Drug Court Fees	8,436	0	0	0	0	0
Jail Fees	15,700	0	0	0	0	56,625
DUI Treatment Fines	6,842	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	Constitu - tional 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	\$ 16,666	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	367	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	3,700	0	0	0	0	0
Officers Costs	6,088	0	0	0	0	0
Drug Control Fines	1,161	0	0	0	0	0
Interpreter Fee	1,106	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,732	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	49	0	0	0	0	0
Data Entry Fee - Chancery Court	13,163	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	155,244	0	0	0
Other Fines, Forfeitures, and Penalties	76	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 189,598	\$ 0	\$ 167,825	\$ 0	\$ 0	\$ 58,772
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 17,039	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	810	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	146,267	0	0	0	0	0
Copy Fees	7,542	0	0	0	0	0
Telephone Commissions	84,983	0	0	0	0	0
Tourism Fees	45,400	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>						
Electronic Citation Fee	\$ 286	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Commissioner Fees/Special Master Fees	0	0	0	28,824	0	0
Data Processing Fee - Register	22,702	0	0	0	0	0
Probation Fees	467	0	0	0	0	0
Data Processing Fee - Sheriff	8,709	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,850	0	0	0	0	0
Data Processing Fee - County Clerk	9,636	0	0	0	0	0
Vehicle Registration Reinstatement Fees	7,725	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	5,652	0	0	0	0	0
Total Charges for Current Services	\$ 363,068	\$ 0	\$ 0	\$ 28,824	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 759	\$ 0	\$ 0	\$ 270,577
Lease/Rentals	59,927	0	0	0	0	0
Sale of Materials and Supplies	1,103	12,520	0	0	0	0
Commissary Sales	13,706	0	0	0	0	0
Miscellaneous Refunds	79,248	0	0	0	0	0
Expenditure Credits	521	66	0	0	170	0
<u>Nonrecurring Items</u>						
Sale of Equipment	38,002	2,501	7,600	0	1,405	0
Damages Recovered from Individuals	0	0	812	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	7,279	0	0	0	0	500,000
Total Other Local Revenues	\$ 199,786	\$ 15,087	\$ 9,171	\$ 0	\$ 1,575	\$ 770,577

(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	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 892,823	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	311,685	0	0	0	0	0
General Sessions Court Clerk	598,334	0	0	0	0	0
Clerk and Master	450,701	0	0	0	0	0
Juvenile Court Clerk	47,426	0	0	0	0	0
Register	345,552	0	0	0	0	0
Sheriff	15,898	0	0	0	0	0
Trustee	1,139,165	0	0	0	0	0
Total Fees Received From County Officials	\$ 3,801,584	\$ 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	89,887	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	718,433	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	312,800	0
Litter Program	47,704	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	108,070	0	0	0	0	0
Beer Tax	0	18,369	0	0	0	0
Vehicle Certificate of Title Fees	15,048	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	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 117,582	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	715,171	0	0	0	200,000	0
State Revenue Sharing - Telecommunications	65,332	0	0	0	0	0
Contracted Prisoner Boarding	542,373	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,305,516	0
Petroleum Special Tax	0	0	0	0	45,128	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	939,896	0	0	0	0	0
Other State Revenues	27,765	0	0	0	0	0
Total State of Tennessee	\$ 3,445,825	\$ 18,369	\$ 0	\$ 0	\$ 2,863,444	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 29,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant #1	33,756	0	0	0	0	0
COVID-19 Grant #2	4,964	0	0	0	0	0
COVID-19 Grant #3	968,535	0	0	0	0	0
COVID-19 Grant #4	16,277	0	0	0	0	0
Other Federal through State	46,898	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	25,050	0	0	0	0	0
Total Federal Government	\$ 1,124,680	\$ 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>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,769	\$ 0
Contributions	0	0	9,417	0	0	0
Contracted Services	253,978	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	4,357	0	0	0	0	0
<u>Other</u>						
Other	27,481	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 285,816</u>	<u>\$ 0</u>	<u>\$ 9,417</u>	<u>\$ 0</u>	<u>\$ 29,769</u>	<u>\$ 0</u>
Total	<u>\$ 24,202,272</u>	<u>\$ 3,028,305</u>	<u>\$ 186,413</u>	<u>\$ 28,824</u>	<u>\$ 3,044,565</u>	<u>\$ 6,982,310</u>

(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 General Capital Projects	Other Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	16,575,836
Discount on Property Taxes	0	0	0	0	525,405
Trustee's Collections - Prior Year	0	0	0	0	416,588
Trustee's Collections - Bankruptcy	0	0	0	0	1,869
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	0	358,557
Interest and Penalty	0	0	0	0	274,443
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	1,517
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	249,554
Payments in-Lieu-of Taxes - Other	0	0	0	0	79,205
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	1,669,444
Hotel/Motel Tax	0	0	0	0	15,562
Wheel Tax	0	0	0	0	1,650,103
Litigation Tax - General	0	0	0	0	108,108
Litigation Tax - Special Purpose	0	0	0	0	41,842
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	84,207
Litigation Tax - Courthouse Security	0	0	0	0	93,704
Business Tax	0	0	0	0	1,169,145
Mineral Severance Tax	0	0	0	0	63,777
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	56,210
Wholesale Beer Tax	0	0	0	0	136,179
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	23,571,255

(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 General Capital Projects	Other Capital Projects	
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	5,320
Cable TV Franchise	0	0	0	0	350,326
<u>Permits</u>					
Beer Permits	0	0	0	0	1,520
Building Permits	0	0	0	0	161,081
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	518,247
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	4,173
Officers Costs	0	0	0	0	17,455
Drug Control Fines	0	0	0	0	17,972
Drug Court Fees	0	0	0	0	2,003
Jail Fees	0	0	0	0	8,666
DUI Treatment Fines	0	0	0	0	1,001
Data Entry Fee - Circuit Court	0	0	0	0	4,832
<u>General Sessions Court</u>					
Fines	0	0	0	0	21,556
Fines for Littering	0	0	0	0	104
Officers Costs	0	0	0	0	42,041
Game and Fish Fines	0	0	0	0	187
Drug Control Fines	0	0	0	0	9,250
Drug Court Fees	0	0	0	0	8,436
Jail Fees	0	0	0	0	72,325
DUI Treatment Fines	0	0	0	0	6,842

(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 General 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	\$ 0	16,666
Courtroom Security Fee	0	0	0	0	367
<u>Juvenile Court</u>					
Fines	0	0	0	0	3,700
Officers Costs	0	0	0	0	6,088
Drug Control Fines	0	0	0	0	1,161
Interpreter Fee	0	0	0	0	1,106
Data Entry Fee - Juvenile Court	0	0	0	0	1,732
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	49
Data Entry Fee - Chancery Court	0	0	0	0	13,163
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	155,244
Other Fines, Forfeitures, and Penalties	0	0	0	0	76
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	416,195
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	17,039
Work Release Charges for Board	0	0	0	0	810
<u>Fees</u>					
Recreation Fees	0	0	0	0	146,267
Copy Fees	0	0	0	0	7,542
Telephone Commissions	0	0	0	0	84,983
Tourism Fees	0	0	0	0	45,400

(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 General Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Electronic Citation Fee	\$ 0	\$ 0	\$ 0	\$ 0	286
Special Commissioner Fees/Special Master Fees	0	0	0	0	28,824
Data Processing Fee - Register	0	0	0	0	22,702
Probation Fees	0	0	0	0	467
Data Processing Fee - Sheriff	0	0	0	0	8,709
Sexual Offender Registration Fee - Sheriff	0	0	0	0	5,850
Data Processing Fee - County Clerk	0	0	0	0	9,636
Vehicle Registration Reinstatement Fees	0	0	0	0	7,725
<u>Education Charges</u>					
Community Service Fees - Adults	0	0	0	0	5,652
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	391,892
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	221	\$ 0	271,557
Lease/Rentals	0	0	0	1,710	61,637
Sale of Materials and Supplies	0	0	0	0	13,623
Commissary Sales	0	0	0	0	13,706
Miscellaneous Refunds	0	0	0	0	79,248
Expenditure Credits	0	0	0	0	757
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	49,508
Damages Recovered from Individuals	0	0	0	0	812
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	507,279
Total Other Local Revenues	\$ 0	\$ 0	221	\$ 1,710	998,127

(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 General Capital Projects	Other Capital Projects	
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	892,823
Circuit Court Clerk	0	0	0	0	311,685
General Sessions Court Clerk	0	0	0	0	598,334
Clerk and Master	0	0	0	0	450,701
Juvenile Court Clerk	0	0	0	0	47,426
Register	0	0	0	0	345,552
Sheriff	0	0	0	0	15,898
Trustee	0	0	0	0	1,139,165
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	3,801,584
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Solid Waste Grants	0	0	0	0	89,887
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	34,400
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	718,433
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	312,800
Litter Program	0	0	0	0	47,704
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	108,070
Beer Tax	0	0	0	0	18,369
Vehicle Certificate of Title Fees	0	0	0	0	15,048

(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 General Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 117,582
State Revenue Sharing - T.V.A.	0	0	0	0	915,171
State Revenue Sharing - Telecommunications	0	0	0	0	65,332
Contracted Prisoner Boarding	0	0	0	0	542,373
Gasoline and Motor Fuel Tax	0	0	0	0	2,305,516
Petroleum Special Tax	0	0	0	0	45,128
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	500,000	0	0	1,439,896
Other State Revenues	0	0	0	0	27,765
Total State of Tennessee	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ 6,827,638
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,200
COVID-19 Grant #1	0	0	0	0	33,756
COVID-19 Grant #2	0	0	0	0	4,964
COVID-19 Grant #3	0	0	0	0	968,535
COVID-19 Grant #4	0	0	0	0	16,277
Other Federal through State	11,308	0	0	0	58,206
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	25,050
Total Federal Government	\$ 11,308	\$ 0	\$ 0	\$ 0	\$ 1,135,988

(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 General Capital Projects	Other Capital Projects	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	29,769
Contributions	0	0	0	0	9,417
Contracted Services	0	0	0	0	253,978
<u>Citizens Groups</u>					
Donations	0	0	0	0	4,357
<u>Other</u>					
Other	0	0	0	0	27,481
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	325,002
Total	\$ 11,308	\$ 500,000	\$ 221	\$ 1,710	\$ 37,985,928

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, 2021

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 12,638,322	\$ 0	\$ 0	\$ 0	\$ 12,638,322	
Trustee's Collections - Prior Year	335,559	0	0	0	335,559	
Trustee's Collections - Bankruptcy	1,633	0	0	0	1,633	
Circuit Clerk/Clerk and Master Collections - Prior Years	371,490	0	0	0	371,490	
Interest and Penalty	223,117	0	0	0	223,117	
Payments in-Lieu-of Taxes - T.V.A.	1,038	0	0	0	1,038	
Payments in-Lieu-of Taxes - Local Utilities	209,798	0	0	0	209,798	
Payments in-Lieu-of Taxes - Other	40,715	0	0	0	40,715	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	16,894,894	0	0	0	16,894,894	
Mixed Drink Tax	70,300	0	0	0	70,300	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	224,840	0	0	0	224,840	
Total Local Taxes	\$ 31,011,706	\$ 0	\$ 0	\$ 0	\$ 31,011,706	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	\$ 133,921	\$ 0	\$ 0	\$ 0	\$ 133,921	
Tuition - Other	130,693	0	0	0	130,693	
Lunch Payments - Children	0	0	95,899	0	95,899	
Lunch Payments - Adults	0	0	57,182	0	57,182	
A la Carte Sales	0	0	49,451	0	49,451	
Receipts from Individual Schools	74,952	0	0	0	74,952	
Other Charges for Services	72,567	0	22,504	0	95,071	
Total Charges for Current Services	\$ 412,133	\$ 0	\$ 225,036	\$ 0	\$ 637,169	

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 124,544	\$ 0	\$ 19,854	\$ 0	\$ 144,398	
Lease/Rentals	900	0	0	0	900	
Sale of Materials and Supplies	2,769	0	0	0	2,769	
Miscellaneous Refunds	40,780	0	0	0	40,780	
<u>Nonrecurring Items</u>						
Sale of Equipment	27,218	0	0	0	27,218	
Sale of Property	15,750	0	0	0	15,750	
Damages Recovered from Individuals	776	0	0	0	776	
Contributions and Gifts	385,174	0	0	0	385,174	
<u>Other Local Revenues</u>						
Other Local Revenues	682	0	0	3,412,841	3,413,523	
Total Other Local Revenues	\$ 598,593	\$ 0	\$ 19,854	\$ 3,412,841	\$ 4,031,288	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 544,987	\$ 0	\$ 0	\$ 0	\$ 544,987	
<u>State Education Funds</u>						
Basic Education Program	57,044,304	0	0	0	57,044,304	
Early Childhood Education	648,221	0	0	0	648,221	
School Food Service	0	0	60,210	0	60,210	
Other State Education Funds	243,316	0	0	0	243,316	
Career Ladder Program	145,713	0	0	0	145,713	
<u>Other State Revenues</u>						
Other State Grants	865,214	0	30,000	0	895,214	

(Continued)

Exhibit K-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Safe Schools	\$ 292,531	\$ 0	\$ 0	\$ 0	\$ 292,531
Total State of Tennessee	\$ 59,784,286	\$ 0	\$ 90,210	\$ 0	\$ 59,874,496
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 4,280,620	\$ 0	\$ 4,280,620
USDA - Commodities	0	0	495,221	0	495,221
Breakfast	0	0	1,756,047	0	1,756,047
USDA - Other	0	0	50,013	0	50,013
Vocational Education - Basic Grants to States	0	184,633	0	0	184,633
Other Vocational	46,645	0	0	0	46,645
Title I Grants to Local Education Agencies	0	2,542,735	0	0	2,542,735
Special Education - Grants to States	83,203	2,267,841	0	0	2,351,044
Special Education Preschool Grants	0	74,416	0	0	74,416
English Language Acquisition Grants	0	141,940	0	0	141,940
Education for Homeless Children and Youth	0	71,359	0	0	71,359
Eisenhower Professional Development State Grants	0	328,473	0	0	328,473
COVID-19 Grant #1	402,499	1,875,927	0	0	2,278,426
COVID-19 Grant #3	0	125,000	0	0	125,000
COVID-19 Grant #4	0	428,352	0	0	428,352
COVID-19 Grant #5	0	45,000	0	0	45,000
COVID-19 Grant A	0	525,501	0	0	525,501
Other Federal through State	241,266	173,640	0	0	414,906
Total Federal Government	\$ 773,613	\$ 8,784,817	\$ 6,581,901	\$ 0	\$ 16,140,331
Total	\$ 92,580,331	\$ 8,784,817	\$ 6,917,001	\$ 3,412,841	\$ 111,694,990

Exhibit K-7

Hamblen County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2021

General FundGeneral GovernmentCounty Commission

Part-time Personnel	\$	915	
Board and Committee Members Fees		71,400	
Social Security		57	
Pensions		2,352	
Life Insurance		353	
Medical Insurance		50,422	
Employer Medicare		894	
Audit Services		25,018	
Contracts with Private Agencies		1,200	
Dues and Memberships		4,244	
Maintenance Agreements		1,740	
Pauper Burials		810	
Office Supplies		484	
Other Charges		2,303	
Total County Commission			\$ 162,192

Board of Equalization

Board and Committee Members Fees	\$	1,335	
Total Board of Equalization			1,335

County Mayor/Executive

County Official/Administrative Officer	\$	107,679	
Assistant(s)		39,537	
Social Security		8,606	
Pensions		10,305	
Life Insurance		50	
Medical Insurance		22,226	
Employer Medicare		2,013	
Communication		2,406	
Dues and Memberships		2,300	
Postal Charges		3,058	
Rentals		6,163	
Travel		772	
Office Supplies		1,430	
Other Charges		15,835	
Office Equipment		469	
Total County Mayor/Executive			222,849

County Attorney

Other Salaries and Wages	\$	1,200	
Social Security		74	
Employer Medicare		18	
Legal Services		18,075	
Total County Attorney			19,367

Election Commission

County Official/Administrative Officer	\$	81,666	
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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.)Election Commission (Cont.)

Assistant(s)	\$	33,687	
Deputy(ies)		37,513	
Longevity Pay		2,100	
Overtime Pay		1,384	
Election Commission		11,800	
Election Workers		46,226	
Social Security		10,693	
Pensions		10,659	
Life Insurance		76	
Medical Insurance		24,426	
Employer Medicare		2,501	
Communication		325	
Contracts with Private Agencies		22,660	
Legal Notices, Recording, and Court Costs		6,439	
Maintenance Agreements		22,481	
Postal Charges		7,806	
Printing, Stationery, and Forms		920	
Rentals		1,292	
Office Supplies		3,351	
Office Equipment		4,637	
Total Election Commission			\$ 332,642

Register of Deeds

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		121,255	
Part-time Personnel		24,094	
Longevity Pay		4,800	
Social Security		14,535	
Pensions		14,895	
Life Insurance		116	
Medical Insurance		31,632	
Employer Medicare		3,399	
Communication		21	
Dues and Memberships		888	
Postal Charges		660	
Office Supplies		4,316	
Data Processing Equipment		20,281	
Total Register of Deeds			331,632

Planning

County Official/Administrative Officer	\$	45,905	
Deputy(ies)		45,450	
Secretary(ies)		32,719	
Longevity Pay		2,475	
Board and Committee Members Fees		16,200	
Social Security		8,451	
Pensions		8,859	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Planning (Cont.)

Life Insurance	\$	80	
Medical Insurance		25,805	
Employer Medicare		1,976	
Communication		1,915	
Contracts with Private Agencies		16,780	
Dues and Memberships		292	
Legal Services		458	
Legal Notices, Recording, and Court Costs		585	
Maintenance and Repair Services - Vehicles		1,161	
Postal Charges		543	
Printing, Stationery, and Forms		400	
Rentals		988	
Travel		15	
Gasoline		769	
Office Supplies		2,472	
Refunds		50	
In Service/Staff Development		284	
Total Planning			\$ 214,632

Codes Compliance

Deputy(ies)	\$	41,350	
Social Security		2,541	
Pensions		2,895	
Life Insurance		25	
Medical Insurance		6,251	
Employer Medicare		594	
Legal Services		2,332	
Uniforms		312	
Total Codes Compliance			56,300

Geographical Information Systems

Deputy(ies)	\$	39,537	
Longevity Pay		225	
Social Security		2,447	
Pensions		2,783	
Life Insurance		25	
Medical Insurance		6,251	
Employer Medicare		572	
Contracts with Government Agencies		33,861	
Total Geographical Information Systems			85,701

Other Facilities

Supervisor/Director	\$	40,031	
Custodial Personnel		80,245	
Maintenance Personnel		70,730	
Part-time Personnel		22,916	
Longevity Pay		5,550	

(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.)

Overtime Pay	\$	7,076	
Social Security		13,072	
Pensions		14,254	
Life Insurance		151	
Medical Insurance		61,932	
Employer Medicare		3,057	
Communication		29,743	
Maintenance Agreements		33,414	
Maintenance and Repair Services - Buildings		30,880	
Maintenance and Repair Services - Equipment		1,742	
Maintenance and Repair Services - Vehicles		4,056	
Pest Control		4,272	
Other Contracted Services		602	
Custodial Supplies		32,846	
Electricity		285,773	
Gasoline		4,487	
Natural Gas		20,353	
Uniforms		3,066	
Maintenance Equipment		1,942	
Total Other Facilities			\$ 772,190

Preservation of Records

Supervisor/Director	\$	13,623	
Social Security		845	
Employer Medicare		198	
Postal Charges		19	
Rentals		1,292	
Office Supplies		3,766	
Total Preservation of Records			19,743

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	86,552	
Accountants/Bookkeepers		201,220	
Longevity Pay		1,725	
Social Security		16,934	
Pensions		20,265	
Life Insurance		151	
Medical Insurance		69,814	
Employer Medicare		3,961	
Contracts with Private Agencies		2,194	
Dues and Memberships		1,178	
Maintenance Agreements		13,896	
Printing, Stationery, and Forms		1,269	
Office Supplies		5,209	
In Service/Staff Development		554	
Total Accounting and Budgeting			424,922

(Continued)

Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)Purchasing

Purchasing Personnel	\$	29,145	
Longevity Pay		375	
Social Security		1,623	
Pensions		2,066	
Life Insurance		25	
Medical Insurance		6,251	
Employer Medicare		380	
Advertising		3,290	
Printing, Stationery, and Forms		165	
Total Purchasing			\$ 43,320

Property Assessor's Office

County Official/Administrative Officer	\$	92,772	
Deputy(ies)		104,711	
Data Processing Personnel		40,385	
Longevity Pay		5,100	
Social Security		14,454	
Pensions		17,008	
Life Insurance		125	
Medical Insurance		39,117	
Employer Medicare		3,380	
Communication		36	
Contracts with Government Agencies		17,541	
Dues and Memberships		1,350	
Maintenance and Repair Services - Office Equipment		236	
Maintenance and Repair Services - Vehicles		1,262	
Postal Charges		2,247	
Printing, Stationery, and Forms		340	
Data Processing Supplies		278	
Gasoline		1,711	
Office Supplies		1,342	
Total Property Assessor's Office			343,395

Reappraisal Program

Deputy(ies)	\$	46,947	
Longevity Pay		1,575	
Social Security		2,754	
Pensions		3,396	
Life Insurance		35	
Medical Insurance		14,756	
Employer Medicare		644	
Contracts with Government Agencies		6,012	
Contracts with Private Agencies		66,675	
Postal Charges		1,600	
Rentals		910	
Other Contracted Services		159	
Office Supplies		188	
Office Equipment		4,422	
Total Reappraisal Program			150,073

(Continued)

Exhibit K-7

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

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

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		126,696	
Part-time Personnel		8,497	
Longevity Pay		1,425	
Social Security		13,550	
Pensions		15,320	
Life Insurance		130	
Medical Insurance		46,884	
Employer Medicare		3,169	
Communication		100	
Dues and Memberships		898	
Legal Notices, Recording, and Court Costs		688	
Maintenance Agreements		18,710	
Postal Charges		9,893	
Printing, Stationery, and Forms		11,249	
Rentals		1,292	
Travel		820	
Office Supplies		2,724	
Premiums on Corporate Surety Bonds		7,524	
Office Equipment		2,603	
Total County Trustee's Office			\$ 362,912

County Clerk's Office

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		316,862	
Longevity Pay		11,100	
Social Security		25,015	
Pensions		29,344	
Life Insurance		277	
Medical Insurance		76,518	
Employer Medicare		5,850	
Communication		1,941	
Dues and Memberships		1,128	
Maintenance Agreements		20,304	
Postal Charges		25,156	
Printing, Stationery, and Forms		1,454	
Rentals		969	
Travel		231	
Other Contracted Services		1,500	
Office Supplies		6,491	
Data Processing Equipment		15,930	
Total County Clerk's Office			630,810

Data Processing

Supervisor/Director	\$	42,086	
Longevity Pay		1,125	
Social Security		2,368	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)Data Processing (Cont.)

Pensions	\$	3,025	
Life Insurance		25	
Medical Insurance		16,091	
Employer Medicare		554	
Communication		438	
Contracts with Private Agencies		12,292	
Data Processing Services		12,155	
Maintenance Agreements		4,337	
Data Processing Supplies		123	
In Service/Staff Development		199	
Data Processing Equipment		21,237	
Total Data Processing			\$ 116,055

Other Finance

Deputy(ies)	\$	186,223	
Longevity Pay		5,925	
Social Security		11,270	
Pensions		13,451	
Life Insurance		151	
Medical Insurance		52,208	
Employer Medicare		2,636	
Communication		7,912	
Data Processing Services		1,450	
Operating Lease Payments		27,497	
Maintenance and Repair Services - Buildings		324	
Rentals		1,185	
Electricity		8,120	
Office Supplies		3,357	
Total Other Finance			321,709

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		391,053	
Part-time Personnel		71,328	
Longevity Pay		10,500	
Overtime Pay		483	
Other Salaries and Wages		23,317	
Jury and Witness Expense		4,843	
Social Security		35,035	
Pensions		34,830	
Life Insurance		349	
Medical Insurance		119,306	
Employer Medicare		8,194	
Communication		2,640	
Dues and Memberships		1,033	
Legal Notices, Recording, and Court Costs		306	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)Circuit Court (Cont.)

Maintenance Agreements	\$	48,276	
Postal Charges		7,775	
Printing, Stationery, and Forms		9,590	
Rentals		5,542	
Travel		603	
Other Contracted Services		4,051	
Office Supplies		10,923	
Data Processing Equipment		4,717	
Office Equipment		2,295	
Total Circuit Court			\$ 887,729

General Sessions Court

Judge(s)	\$	347,894	
Other Salaries and Wages		7,421	
Social Security		17,708	
Pensions		24,787	
Life Insurance		50	
Medical Insurance		25,805	
Employer Medicare		4,999	
Communication		320	
Dues and Memberships		2,523	
Rentals		802	
Other Contracted Services		1,014	
Office Supplies		2,055	
In Service/Staff Development		350	
Total General Sessions Court			435,728

Drug Court

Supervisor/Director	\$	25,336	
Social Security		1,548	
Pensions		1,774	
Life Insurance		17	
Medical Insurance		5,397	
Employer Medicare		362	
Communication		2,594	
Dues and Memberships		340	
Evaluation and Testing		10,018	
Postal Charges		4	
Printing, Stationery, and Forms		40	
Rentals		1,292	
Travel		4,641	
Gasoline		8	
Office Supplies		1,285	
Other Supplies and Materials		2,217	
Total Drug Court			56,873

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		134,385	
Part-time Personnel		18,846	
Longevity Pay		5,550	
Social Security		14,501	
Pensions		16,147	
Life Insurance		126	
Medical Insurance		55,526	
Employer Medicare		3,391	
Communication		327	
Dues and Memberships		1,013	
Maintenance Agreements		21,617	
Maintenance and Repair Services - Buildings		77	
Postal Charges		14,822	
Printing, Stationery, and Forms		471	
Rentals		1,625	
Travel		853	
Office Supplies		3,742	
In Service/Staff Development		380	
Data Processing Equipment		2,414	
Total Chancery Court			\$ 386,553

Juvenile Court

Assistant(s)	\$	43,475	
Supervisor/Director		57,162	
Probation Officer(s)		33,606	
Educational Assistants		44,297	
Attendants		18,624	
Longevity Pay		3,825	
Social Security		12,060	
Pensions		12,277	
Life Insurance		104	
Medical Insurance		29,980	
Employer Medicare		2,821	
Communication		557	
Contracts with Government Agencies		6,095	
Dues and Memberships		70	
Evaluation and Testing		96	
Maintenance and Repair Services - Vehicles		281	
Postal Charges		222	
Rentals		1,292	
Other Contracted Services		2,197	
Food Supplies		281	
Gasoline		267	
Office Supplies		5,656	
In Service/Staff Development		420	
Total Juvenile Court			275,665

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)Courtroom Security

Deputy(ies)	\$	230,132	
Lieutenant(s)		41,333	
Sergeant(s)		39,564	
Salary Supplements		4,800	
Part-time Personnel		138,812	
Longevity Pay		3,975	
Overtime Pay		59,485	
Social Security		30,830	
Pensions		35,314	
Life Insurance		240	
Medical Insurance		87,944	
Employer Medicare		7,210	
Evaluation and Testing		750	
Travel		5,713	
Uniforms		3,957	
In Service/Staff Development		9,307	
Law Enforcement Equipment		3,031	
Total Courtroom Security			\$ 702,397

Victim Assistance Programs

Supervisor/Director	\$	46,780	
Deputy(ies)		29,653	
Longevity Pay		750	
Social Security		4,576	
Pensions		5,403	
Life Insurance		46	
Medical Insurance		14,079	
Employer Medicare		1,070	
Communication		500	
Data Processing Services		11,260	
Total Victim Assistance Programs			114,117

Public SafetySheriff's Department

County Official/Administrative Officer	\$	102,552	
Supervisor/Director		62,100	
Deputy(ies)		682,668	
Captain(s)		51,781	
Lieutenant(s)		281,004	
Sergeant(s)		361,623	
Salary Supplements		29,600	
Clerical Personnel		156,658	
Longevity Pay		37,800	
Overtime Pay		134,111	
Social Security		111,431	
Pensions		171,860	
Life Insurance		1,034	

(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.)

Medical Insurance	\$	407,337	
Employer Medicare		26,060	
Communication		48,174	
Dues and Memberships		2,965	
Maintenance Agreements		52,984	
Maintenance and Repair Services - Equipment		3,636	
Maintenance and Repair Services - Vehicles		47,440	
Postal Charges		1,988	
Printing, Stationery, and Forms		2,358	
Rentals		4,057	
Towing Services		645	
Travel		13,987	
Other Contracted Services		3,681	
Gasoline		95,907	
Law Enforcement Supplies		9,486	
Lubricants		3,192	
Office Supplies		9,915	
Tires and Tubes		33,869	
Uniforms		4,739	
Other Supplies and Materials		5,638	
In Service/Staff Development		8,272	
Law Enforcement Equipment		14,439	
Total Sheriff's Department			\$ 2,984,991

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	2,200	
Maintenance Agreements		377	
Office Supplies		5	
Total Administration of the Sexual Offender Registry			2,582

Jail

Captain(s)	\$	49,443	
Lieutenant(s)		78,580	
Sergeant(s)		138,769	
Guards		1,385,838	
Cafeteria Personnel		91,371	
Longevity Pay		15,525	
Overtime Pay		114,584	
Social Security		110,807	
Pensions		130,855	
Life Insurance		1,230	
Medical Insurance		448,104	
Employer Medicare		25,915	
Evaluation and Testing		2,250	
Maintenance Agreements		53,703	
Maintenance and Repair Services - Buildings		43,163	
Maintenance and Repair Services - Equipment		18,831	

(Continued)

Exhibit K-7

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

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

Medical and Dental Services	\$	857,979	
Rentals		1,625	
Custodial Supplies		75,783	
Drugs and Medical Supplies		2,222	
Food Supplies		270,357	
Office Supplies		7,416	
Prisoners Clothing		9,076	
Uniforms		4,805	
Other Charges		10,922	
Food Service Equipment		5,214	
Law Enforcement Equipment		9,501	
Other Equipment		8,587	
Total Jail			\$ 3,972,455

Workhouse

Guards	\$	50,405	
Longevity Pay		750	
Social Security		2,994	
Pensions		3,581	
Life Insurance		41	
Medical Insurance		15,063	
Employer Medicare		700	
Total Workhouse			73,534

Work Release Program

Supervisor/Director	\$	44,241	
Laborers		46,722	
Secretary(ies)		32,971	
Longevity Pay		5,325	
Other Salaries and Wages		1,056	
Social Security		7,624	
Pensions		9,122	
Life Insurance		101	
Medical Insurance		28,593	
Employer Medicare		1,783	
Communication		1,227	
Maintenance and Repair Services - Vehicles		4,269	
Postal Charges		36	
Printing, Stationery, and Forms		541	
Other Contracted Services		93,783	
Gasoline		1,772	
Office Supplies		683	
Testing		400	
Other Supplies and Materials		1,902	
Total Work Release Program			282,151

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Fire Prevention and Control

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

Civil Defense

Supervisor/Director	\$	47,338	
Part-time Personnel		17,611	
Longevity Pay		675	
Social Security		4,064	
Pensions		3,361	
Life Insurance		25	
Medical Insurance		6,251	
Employer Medicare		950	
Communication		672	
Evaluation and Testing		185	
Maintenance and Repair Services - Vehicles		2,059	
Postal Charges		88	
Travel		55	
Gasoline		2,840	
Office Supplies		1,363	
Uniforms		389	
Liability Insurance		300	
Other Charges		1,841	
Total Civil Defense			90,067

Other Emergency Management

Contributions	\$	185,089	
Total Other Emergency Management			185,089

Inspection and Regulation

Board and Committee Members Fees	\$	3,400	
Social Security		211	
Employer Medicare		49	
Total Inspection and Regulation			3,660

County Coroner/Medical Examiner

Communication	\$	5,399	
Contracts with Private Agencies		118,153	
Other Contracted Services		51,680	
Office Supplies		2,125	
Total County Coroner/Medical Examiner			177,357

Other Public Safety

Other Equipment	\$	18,331	
Total Other Public Safety			18,331

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Health and WelfareLocal Health Center

Clerical Personnel	\$	459,945	
Longevity Pay		9,750	
Social Security		27,013	
Pensions		31,564	
Life Insurance		355	
Medical Insurance		128,856	
Employer Medicare		6,318	
Contracts with Government Agencies		55,804	
Travel		935	
Other Supplies and Materials		4,886	
Total Local Health Center			\$ 725,426

Rabies and Animal Control

Supervisor/Director	\$	25,333	
Deputy(ies)		21,209	
Overtime Pay		4,159	
Social Security		3,129	
Pensions		3,549	
Life Insurance		33	
Medical Insurance		7,293	
Employer Medicare		732	
Communication		909	
Contracts with Private Agencies		215,000	
Maintenance and Repair Services - Vehicles		400	
Travel		91	
Gasoline		2,615	
Office Supplies		13	
Uniforms		543	
Other Supplies and Materials		1,656	
In Service/Staff Development		525	
Office Equipment		449	
Other Equipment		66	
Total Rabies and Animal Control			287,704

Nursing Home

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

Alcohol and Drug Programs

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

Appropriation to State

Contributions	\$	115,233	
Total Appropriation to State			115,233

(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	\$ 26,870	
Total Other Local Welfare Services		\$ 26,870

Social, Cultural, and Recreational ServicesAdult 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	\$ 44,196	
Maintenance Personnel	26,886	
Part-time Personnel	6,920	
Longevity Pay	1,500	
Overtime Pay	37,781	
Social Security	7,234	
Pensions	7,698	
Life Insurance	47	
Medical Insurance	12,875	
Employer Medicare	1,692	
Communication	2,224	
Maintenance and Repair Services - Equipment	3,725	
Custodial Supplies	5,109	
Diesel Fuel	1,745	
Electricity	50,493	
Gasoline	2,172	
Office Supplies	195	
Uniforms	823	
Water and Sewer	28,795	
Other Supplies and Materials	2,940	
Liability Insurance	6,991	
Refunds	250	
Workers' Compensation Insurance	2,545	
Other Charges	2,954	
Other Construction	25,321	
Total Parks and Fair Boards		283,111

Other Social, Cultural, and Recreational

Contracts with Government Agencies	\$ 109,999	
Contributions	336,000	
Total Other Social, Cultural, and Recreational		445,999

(Continued)

Exhibit K-7

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

General Fund (Cont.)Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	160,988	
Communication		50	
Travel		441	
Office Supplies		2,944	
Total Agricultural Extension Service			\$ 164,423

Forest Service

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

Soil Conservation

Secretary(ies)	\$	29,020	
Longevity Pay		1,575	
Social Security		1,647	
Pensions		2,142	
Life Insurance		25	
Medical Insurance		16,091	
Employer Medicare		385	
Total Soil Conservation			50,885

Storm Water Management

Contracts with Government Agencies	\$	3,460	
Contracts with Other Public Agencies		4,500	
Engineering Services		5,285	
Other Contracted Services		1,482	
Instructional Supplies and Materials		3,421	
Total Storm Water Management			18,148

Other OperationsTourism

Contributions	\$	22,500	
Other Contracted Services		32,002	
Total Tourism			54,502

Industrial Development

Contributions	\$	91,000	
Contracts for Development Costs		525,405	
Total Industrial Development			616,405

Veterans' Services

County Official/Administrative Officer	\$	25,250	
Social Security		1,566	
Pensions		1,768	
Life Insurance		25	
Employer Medicare		366	
Communication		45	
Maintenance Agreements		449	

(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.)

Postal Charges	\$	147	
Office Supplies		352	
Office Equipment		399	
Total Veterans' Services			\$ 30,367

Other Charges

Other Supplies and Materials	\$	5,426	
Total Other Charges			5,426

Employee Benefits

Handling Charges and Administrative Costs	\$	930	
Unemployment Compensation		20,196	
Other Fringe Benefits		1,791	
Contracts with Private Agencies		555	
Liability Insurance		454,199	
Workers' Compensation Insurance		117,268	
Liability Claims		105,910	
Total Employee Benefits			700,849

COVID-19 Grant #1

Overtime Pay	\$	1,394	
Election Workers		20,289	
Social Security		667	
Employer Medicare		156	
Office Supplies		2,709	
Total COVID-19 Grant #1			25,215

COVID-19 Grant #2

Other Contracted Services	\$	77,428	
Office Supplies		512	
Other Supplies and Materials		32,473	
Other Charges		1,042	
Communication Equipment		30,858	
Data Processing Equipment		58,826	
Health Equipment		12,877	
Total COVID-19 Grant #2			214,016

COVID-19 Grant #4

Other Supplies and Materials	\$	16,277	
Total COVID-19 Grant #4			16,277

Miscellaneous

Contracts with Other Public Agencies	\$	15,404	
Other Contracted Services		1,871	
Trustee's Commission		267,230	
Total Miscellaneous			284,505

(Continued)

Exhibit K-7

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

General Fund (Cont.)Operation of Non-Instructional ServicesCommunity Services

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

Capital ProjectsGeneral Administration Projects

Building Improvements	\$	22,743	
Communication Equipment		9,302	
Heating and Air Conditioning Equipment		27,313	
Disabilities Act Improvements		25,986	
Total General Administration Projects			85,344

Public Safety Projects

Building Improvements	\$	75,000	
Land		210,676	
Law Enforcement Equipment		24,416	
Motor Vehicles		72,496	
Total Public Safety Projects			382,588

Public Health and Welfare Projects

Motor Vehicles	\$	59,762	
Health Equipment		21,230	
Other Equipment		13,427	
Total Public Health and Welfare Projects			94,419

Total General Fund			\$ 20,436,370
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Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Supervisor/Director	\$	59,272	
Mechanic(s)		30,181	
Equipment Operators - Heavy		175,129	
Truck Drivers		257,104	
Laborers		173,031	
Longevity Pay		12,225	
Overtime Pay		12,655	
Social Security		41,739	
Handling Charges and Administrative Costs		40	
Pensions		50,270	
Life Insurance		580	
Medical Insurance		228,261	
Unemployment Compensation		645	
Employer Medicare		9,761	
Other Fringe Benefits		450	
Advertising		3,685	
Maintenance and Repair Services - Equipment		150,163	
Towing Services		2,050	

(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.)

Disposal Fees	\$	931,931	
Other Contracted Services		671	
Diesel Fuel		123,003	
Gasoline		3,475	
Lubricants		11,084	
Office Supplies		422	
Small Tools		599	
Tires and Tubes		22,246	
Uniforms		8,501	
Other Supplies and Materials		16,259	
Liability Insurance		38,248	
Trustee's Commission		42,620	
Workers' Compensation Insurance		44,463	
Solid Waste Equipment		29,846	
Total Sanitation Management			\$ 2,480,609

Total Solid Waste/Sanitation Fund \$ 2,480,609

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	9,000	
Social Security		558	
Pensions		945	
Employer Medicare		130	
Confidential Drug Enforcement Payments		20,000	
Dues and Memberships		1,100	
Rentals		12,845	
Travel		5,409	
Animal Food and Supplies		946	
Electricity		7,251	
Law Enforcement Supplies		3,848	
Trustee's Commission		1,863	
In Service/Staff Development		2,846	
Law Enforcement Equipment		10,752	
Total Drug Enforcement			\$ 77,493

Total Drug Control Fund 77,493

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees	\$	28,824	
Total Chancery Court			\$ 28,824

Total Constitutional Officers - Fees Fund 28,824

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	99,813	
Assistant(s)		39,448	
Accountants/Bookkeepers		38,824	
Longevity Pay		2,025	
Board and Committee Members Fees		18,600	
Social Security		11,981	
Pensions		9,930	
Life Insurance		77	
Medical Insurance		23,615	
Employer Medicare		2,802	
Advertising		1,243	
Communication		4,184	
Data Processing Services		1,818	
Dues and Memberships		3,609	
Legal Services		391	
Postal Charges		165	
Other Contracted Services		228	
Electricity		32,652	
Office Supplies		1,022	
Propane Gas		6,830	
Water and Sewer		978	
Liability Insurance		45,521	
Trustee's Commission		24,664	
Vehicle and Equipment Insurance		27,792	
Other Charges		17,894	
Total Administration			\$ 416,106

Highway and Bridge Maintenance

Supervisor/Director	\$	53,055
Equipment Operators		246,390
Truck Drivers		270,201
Laborers		128,696
Longevity Pay		17,775
Overtime Pay		36,871
Social Security		43,741
Pensions		52,653
Life Insurance		565
Medical Insurance		224,023
Employer Medicare		10,230
Contracts with Private Agencies		32,378
Rentals		300
Asphalt - Hot Mix		198,200
Concrete		2,831
Crushed Stone		63,895
General Construction Materials		1,945
Pipe - Metal		14,301
Road Signs		6,262

(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	\$	24,215	
Uniforms		8,375	
Fencing		14,700	
Total Highway and Bridge Maintenance			\$ 1,451,602

Operation and Maintenance of Equipment

Supervisor/Director	\$	38,303	
Mechanic(s)		40,177	
Longevity Pay		1,125	
Overtime Pay		2,023	
Social Security		4,589	
Pensions		5,714	
Life Insurance		47	
Medical Insurance		23,793	
Employer Medicare		1,073	
Diesel Fuel		36,446	
Equipment Parts - Heavy		88,837	
Garage Supplies		4,434	
Gasoline		18,588	
Lubricants		9,000	
Small Tools		3,061	
Tires and Tubes		32,973	
Other Supplies and Materials		4,291	
Total Operation and Maintenance of Equipment			314,474

Employee Benefits

Unemployment Compensation	\$	235	
Other Fringe Benefits		200	
Workers' Compensation Insurance		14,956	
Total Employee Benefits			15,391

Capital Outlay

Highway Equipment	\$	41,375	
State Aid Projects		410,042	
Other Construction		429,276	
Total Capital Outlay			880,693

Total Highway/Public Works Fund \$ 3,078,266

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Other Loans	\$	387,113	
Total General Government			\$ 387,113

Highways and Streets

Principal on Bonds	\$	327,096	
Total Highways and Streets			327,096

(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.)Education

Principal on Bonds	\$ 302,904	
Principal on Other Loans	1,870,074	
Total Education		\$ 2,172,978

Interest on DebtGeneral Government

Interest on Bonds	\$ 304,136	
Interest on Other Loans	105,888	
Total General Government		410,024

Highways and Streets

Interest on Bonds	\$ 14,752	
Total Highways and Streets		14,752

Education

Interest on Bonds	\$ 343,313	
Interest on Other Loans	492,662	
Total Education		835,975

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 116,442	
Total General Government		116,442

Education

Other Debt Service	\$ 18,586	
Total Education		18,586

Total General Debt Service Fund \$ 4,282,966

General Capital Projects FundCapital ProjectsPublic Health and Welfare Projects

Other Equipment	\$ 6,076	
Total Public Health and Welfare Projects		\$ 6,076

Social, Cultural, and Recreation Projects

Other Contracted Services	\$ 45,982	
Other Equipment	3,600	
Total Social, Cultural, and Recreation Projects		49,582

Education Capital Projects

Engineering Services	\$ 3,750	
Total Education Capital Projects		3,750

Total General Capital Projects Fund 59,408

(Continued)

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 Construction	\$	277,675	
Highway Equipment		34,550	
Total Highway and Street Capital Projects			<u>\$ 312,225</u>
Total Highway Capital Projects Fund			\$ 312,225
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Safety Projects</u>			
Architects	\$	679,088	
Contracts with Government Agencies		120,515	
Other Contracted Services		319,392	
Land		611,854	
Site Development		47,577	
Total Public Safety Projects			<u>\$ 1,778,426</u>
Total Other Capital Projects Fund			<u>1,778,426</u>
Total Governmental Funds - Primary Government			<u><u>\$ 32,534,587</u></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, 2021

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	29,076,343	
Career Ladder Program		90,225	
Salary Supplements		529,732	
Educational Assistants		1,343,986	
Other Salaries and Wages		318,875	
Certified Substitute Teachers		404,145	
Non-certified Substitute Teachers		16,213	
Social Security		1,839,062	
Pensions		2,815,063	
Life Insurance		30,018	
Medical Insurance		5,229,152	
Unemployment Compensation		7,606	
Employer Medicare		437,825	
Other Fringe Benefits		570,433	
Other Contracted Services		97,535	
Instructional Supplies and Materials		435,935	
Textbooks - Electronic		381,668	
Textbooks - Bound		1,084,459	
Other Supplies and Materials		27,589	
Other Charges		87,070	
Regular Instruction Equipment		1,365,539	
Total Regular Instruction Program			\$ 46,188,473

Special Education Program

Teachers	\$	3,837,353	
Career Ladder Program		7,000	
Educational Assistants		787,191	
Speech Pathologist		424,313	
Other Salaries and Wages		64,500	
Certified Substitute Teachers		45,298	
Non-certified Substitute Teachers		12,220	
Social Security		300,532	
Pensions		460,053	
Life Insurance		5,544	
Medical Insurance		893,474	
Unemployment Compensation		1,441	
Employer Medicare		71,310	
Instructional Supplies and Materials		51,370	
Special Education Equipment		38,593	
Total Special Education Program			7,000,192

Career and Technical Education Program

Teachers	\$	2,588,838	
Career Ladder Program		6,000	
Other Salaries and Wages		23,500	
Certified Substitute Teachers		47,502	

(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.)

Non-certified Substitute Teachers	\$	210	
Social Security		156,159	
Pensions		247,261	
Life Insurance		2,390	
Medical Insurance		436,972	
Unemployment Compensation		604	
Employer Medicare		36,663	
Instructional Supplies and Materials		61,377	
Other Supplies and Materials		43,655	
Other Charges		466	
Vocational Instruction Equipment		7,454	
Total Career and Technical Education Program			\$ 3,659,051

Student Body Education Program

Other Contracted Services	\$	51,522	
Other Supplies and Materials		80,924	
Other Charges		37,617	
Total Student Body Education Program			170,063

Support Services

Attendance

Travel	\$	983	
Total Attendance			983

Health Services

Supervisor/Director	\$	54,711	
Medical Personnel		591,615	
Other Salaries and Wages		33,471	
Social Security		38,568	
Pensions		56,795	
Life Insurance		1,008	
Medical Insurance		180,783	
Unemployment Compensation		222	
Employer Medicare		9,020	
Travel		361	
Drugs and Medical Supplies		5,969	
Other Supplies and Materials		5,539	
In Service/Staff Development		280	
Total Health Services			978,342

Other Student Support

Career Ladder Program	\$	500	
Guidance Personnel		1,246,254	
Other Salaries and Wages		15,682	
Social Security		70,885	
Pensions		120,959	

(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.)

Life Insurance	\$	1,063	
Medical Insurance		190,279	
Unemployment Compensation		283	
Employer Medicare		17,054	
Evaluation and Testing		18,352	
Total Other Student Support			\$ 1,681,311

Regular Instruction Program

Supervisor/Director	\$	223,022	
Librarians		1,116,657	
Secretary(ies)		184,630	
Other Salaries and Wages		170,153	
In-service Training		59,919	
Social Security		100,375	
Pensions		156,231	
Life Insurance		1,507	
Medical Insurance		274,924	
Unemployment Compensation		383	
Employer Medicare		23,805	
Travel		10,629	
Other Contracted Services		80,000	
Library Books/Media		25,056	
Other Supplies and Materials		24,821	
In Service/Staff Development		10,709	
Other Charges		48,623	
Building Improvements		10,915	
Other Equipment		248,979	
Total Regular Instruction Program			2,771,338

Special Education Program

Supervisor/Director	\$	62,576	
Psychological Personnel		212,875	
Medical Personnel		48,558	
Secretary(ies)		72,332	
Clerical Personnel		26,390	
Other Salaries and Wages		115,533	
Social Security		32,592	
Pensions		45,255	
Life Insurance		511	
Medical Insurance		86,178	
Unemployment Compensation		136	
Employer Medicare		7,678	
Maintenance and Repair Services - Equipment		95	
Travel		6,987	
Other Contracted Services		326,288	
Other Supplies and Materials		4,100	
In Service/Staff Development		6,535	
Total Special Education Program			1,054,619

(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

Supervisor/Director	\$	87,090	
Secretary(ies)		37,020	
Other Salaries and Wages		60,319	
Social Security		9,966	
Pensions		17,722	
Life Insurance		151	
Medical Insurance		30,233	
Unemployment Compensation		38	
Employer Medicare		2,331	
Travel		1,555	
Total Career and Technical Education Program			\$ 246,425

Technology

Supervisor/Director	\$	85,900	
Computer Programmer(s)		55,845	
Secretary(ies)		36,489	
Other Salaries and Wages		550,880	
Social Security		42,617	
Pensions		51,038	
Life Insurance		706	
Medical Insurance		120,342	
Unemployment Compensation		176	
Employer Medicare		9,967	
Communication		77,424	
Internet Connectivity		155,218	
Travel		4,582	
Office Supplies		5,329	
Uniforms		5,335	
Cabling		5,629	
Software		392,984	
In Service/Staff Development		450	
Data Processing Equipment		222,196	
Total Technology			1,823,107

Other Programs

On-behalf Payments to OPEB	\$	544,987	
Total Other Programs			544,987

Board of Education

Board and Committee Members Fees	\$	37,200	
Social Security		2,306	
Pensions		1,932	
Life Insurance		269	
Medical Insurance		18,147	
Employer Medicare		539	
Audit Services		22,500	

(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.)

Dues and Memberships	\$	12,988	
Legal Services		11,212	
Travel		2,129	
Liability Insurance		187,472	
Premiums on Corporate Surety Bonds		1,739	
Trustee's Commission		544,136	
Workers' Compensation Insurance		313,873	
Other Charges		46,153	
Total Board of Education			\$ 1,202,595

Director of Schools

County Official/Administrative Officer	\$	154,530	
Assistant(s)		217,170	
Career Ladder Program		2,000	
Secretary(ies)		103,842	
Other Salaries and Wages		1,500	
Social Security		28,309	
Pensions		52,661	
Life Insurance		953	
Medical Insurance		34,418	
Unemployment Compensation		63	
Employer Medicare		6,855	
Communication		17,832	
Postal Charges		9,000	
Travel		12,000	
Other Contracted Services		5,284	
Office Supplies		10,485	
Other Charges		8,789	
Total Director of Schools			665,691

Office of the Principal

Principals	\$	1,579,616	
Career Ladder Program		13,000	
Assistant Principals		1,286,270	
Secretary(ies)		841,483	
Other Salaries and Wages		24,000	
Social Security		221,403	
Pensions		355,959	
Life Insurance		3,137	
Medical Insurance		545,412	
Unemployment Compensation		806	
Employer Medicare		51,782	
Communication		138,581	
Total Office of the Principal			5,061,449

(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

Supervisor/Director	\$	93,796	
Accountants/Bookkeepers		169,135	
Other Salaries and Wages		1,375	
Social Security		14,765	
Pensions		17,155	
Life Insurance		204	
Medical Insurance		31,632	
Unemployment Compensation		57	
Employer Medicare		3,732	
Maintenance and Repair Services - Equipment		892	
Travel		1,615	
Other Contracted Services		9,997	
Data Processing Supplies		3,768	
Office Supplies		4,460	
Administration Equipment		202,818	
Total Fiscal Services			\$ 555,401

Operation of Plant

Custodial Personnel	\$	1,920,851	
Other Salaries and Wages		40,722	
Social Security		114,840	
Pensions		128,150	
Life Insurance		2,776	
Medical Insurance		456,827	
Unemployment Compensation		743	
Employer Medicare		27,481	
Other Contracted Services		309,688	
Custodial Supplies		228,258	
Electricity		1,900,731	
Natural Gas		190,221	
Water and Sewer		359,755	
Other Supplies and Materials		1,855	
Other Charges		2,388	
Plant Operation Equipment		25,173	
Total Operation of Plant			5,710,459

Maintenance of Plant

Supervisor/Director	\$	61,413	
Maintenance Personnel		667,742	
Other Salaries and Wages		3,750	
Social Security		43,024	
Pensions		51,304	
Life Insurance		870	
Medical Insurance		152,317	
Unemployment Compensation		227	
Employer Medicare		10,062	

(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.)

Maintenance of Plant (Cont.)

Maintenance and Repair Services - Buildings	\$	327,795	
Maintenance and Repair Services - Equipment		80,767	
Equipment and Machinery Parts		83,031	
Uniforms		9,375	
Other Charges		398	
Maintenance Equipment		28,389	
Total Maintenance of Plant			\$ 1,520,464

Transportation

Supervisor/Director	\$	52,669	
Mechanic(s)		208,531	
Bus Drivers		1,039,805	
Clerical Personnel		39,871	
Other Salaries and Wages		13,250	
Social Security		77,331	
Pensions		100,820	
Life Insurance		2,446	
Medical Insurance		399,459	
Unemployment Compensation		793	
Employer Medicare		18,063	
Contracts with Parents		34	
Maintenance and Repair Services - Vehicles		19,621	
Medical and Dental Services		9,368	
Diesel Fuel		216,716	
Garage Supplies		1,682	
Gasoline		24,904	
Lubricants		12,442	
Tires and Tubes		31,330	
Uniforms		2,450	
Vehicle Parts		131,478	
Other Supplies and Materials		2,902	
Vehicle and Equipment Insurance		136,096	
Other Charges		55,681	
Transportation Equipment		591,530	
Total Transportation			3,189,272

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	46,978	
Other Salaries and Wages		375,015	
Social Security		21,100	
Pensions		7,016	
Life Insurance		50	
Medical Insurance		7,602	
Unemployment Compensation		327	
Employer Medicare		5,205	

(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.)

Community Services (Cont.)

Other Contracted Services	\$	65	
Other Supplies and Materials		21,620	
Other Equipment		1,905	
Total Community Services			\$ 486,883

Early Childhood Education

Teachers	\$	530,357	
Educational Assistants		328,159	
Other Salaries and Wages		7,750	
Certified Substitute Teachers		10,175	
Non-certified Substitute Teachers		7,805	
Social Security		49,417	
Pensions		53,439	
Life Insurance		554	
Medical Insurance		102,981	
Unemployment Compensation		307	
Employer Medicare		12,267	
Instructional Supplies and Materials		7,094	
In Service/Staff Development		2,358	
Other Charges		2,619	
Total Early Childhood Education			1,115,282

COVID-19 Expenditures

Other Supplies and Materials	\$	536,665	
Total COVID-19 Expenditures			536,665

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	2,218,920	
Total Regular Capital Outlay			2,218,920

Other Debt Service

Education

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

Total General Purpose School Fund \$ 88,881,972

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	957,293	
Educational Assistants		369,844	
Other Salaries and Wages		51,627	
Certified Substitute Teachers		8,245	
Non-certified Substitute Teachers		280	

(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.)

Regular Instruction Program (Cont.)

Social Security	\$	75,386	
Pensions		107,851	
Life Insurance		1,474	
Medical Insurance		239,780	
Unemployment Compensation		468	
Employer Medicare		19,923	
Other Fringe Benefits		5,278	
Instructional Supplies and Materials		374,238	
Software		125,000	
Other Supplies and Materials		49,546	
Regular Instruction Equipment		2,568,403	
Total Regular Instruction Program			\$ 4,954,636

Special Education Program

Teachers	\$	11,044	
Educational Assistants		1,463,744	
Speech Pathologist		813	
Other Salaries and Wages		814	
Non-certified Substitute Teachers		16,670	
Social Security		85,066	
Pensions		98,403	
Life Insurance		2,954	
Medical Insurance		501,025	
Unemployment Compensation		800	
Employer Medicare		19,920	
Total Special Education Program			2,201,253

Career and Technical Education Program

Other Salaries and Wages	\$	1,400	
Social Security		87	
Pensions		144	
Employer Medicare		20	
Maintenance and Repair Services - Equipment		1,953	
Instructional Supplies and Materials		39,433	
Other Supplies and Materials		11,775	
Vocational Instruction Equipment		114,791	
Total Career and Technical Education Program			169,603

Support Services

Health Services

Social Workers	\$	105,266	
Social Security		6,281	
Pensions		7,391	
Life Insurance		97	
Medical Insurance		17,059	
Unemployment Compensation		25	

(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.)

Health Services (Cont.)

Employer Medicare	\$	1,469	
Other Supplies and Materials		2,082	
Total Health Services			\$ 139,670

Other Student Support

Other Salaries and Wages	\$	20,853	
Social Security		1,273	
Pensions		1,462	
Life Insurance		40	
Medical Insurance		5,930	
Unemployment Compensation		8	
Employer Medicare		298	
Other Fringe Benefits		318	
Travel		371	
Other Supplies and Materials		34,171	
In Service/Staff Development		13,228	
Total Other Student Support			77,952

Regular Instruction Program

Supervisor/Director	\$	74,919	
Other Salaries and Wages		534,572	
Social Security		36,333	
Pensions		59,287	
Life Insurance		519	
Medical Insurance		93,947	
Unemployment Compensation		154	
Employer Medicare		8,497	
Other Fringe Benefits		1,175	
Travel		2,296	
Other Supplies and Materials		5,912	
In Service/Staff Development		31,349	
Total Regular Instruction Program			848,960

Special Education Program

Other Salaries and Wages	\$	122,559	
Social Security		7,102	
Pensions		12,603	
Life Insurance		101	
Medical Insurance		19,167	
Unemployment Compensation		25	
Employer Medicare		1,661	
Other Contracted Services		4,626	
Total Special Education Program			167,844

Career and Technical Education Program

In Service/Staff Development	\$	350	
Total Career and Technical Education Program			350

(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.)

Technology

Internet Connectivity	\$	45,000	
Total Technology			\$ 45,000

Office of the Principal

Principals	\$	960	
Assistant Principals		600	
Social Security		97	
Pensions		160	
Employer Medicare		23	
Administration Equipment		11,158	
Total Office of the Principal			12,998

Operation of Plant

Custodial Supplies	\$	34,455	
Plant Operation Equipment		65,110	
Total Operation of Plant			99,565

Transportation

Bus Drivers	\$	7,189	
Social Security		446	
Pensions		538	
Employer Medicare		104	
Diesel Fuel		702	
Other Charges		3,522	
Total Transportation			12,501

Total School Federal Projects Fund			\$ 8,730,332
------------------------------------	--	--	--------------

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	62,068
Accountants/Bookkeepers		40,479
Clerical Personnel		35,516
Cafeteria Personnel		1,655,979
Other Salaries and Wages		54,288
In-service Training		38,070
Social Security		113,634
Pensions		70,877
Life Insurance		2,181
Medical Insurance		361,419
Unemployment Compensation		1,322
Employer Medicare		26,698
Maintenance and Repair Services - Equipment		42,261
Travel		1,935
Other Contracted Services		265,620

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Food Preparation Supplies	\$	29,247	
Food Supplies		2,040,584	
Office Supplies		3,027	
Uniforms		6,717	
USDA - Commodities		495,221	
Other Supplies and Materials		216,314	
In Service/Staff Development		5,096	
Other Charges		48,100	
Food Service Equipment		698,636	
Total Food Service			<u>\$ 6,315,289</u>

Total Central Cafeteria Fund \$ 6,315,289

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	3,129,437	
Total Community Services			<u>\$ 3,129,437</u>

Total Internal School Fund 3,129,437

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Improvements	\$	7,367,070	
Total Education Capital Projects			<u>\$ 7,367,070</u>

Total Education Capital Projects Fund 7,367,070

Total Governmental Funds - Hamblen County School Department \$ 114,424,100

Exhibit K-9

Hamblen County, Tennessee
Schedule of Detailed Additions, Deductions, and Changes
in Net Position - City Custodial Fund
For the Year Ended June 30, 2021

	Cities - Sales Tax Fund
<hr/>	
<u>Additions</u>	
Local Option Sales Tax	\$ 15,235,305
Total Additions	<u>\$ 15,235,305</u>
 <u>Deductions</u>	
Remittance of Revenues Collected	\$ 15,082,952
Trustee's Commission	152,353
Total Cash Disbursements	<u>\$ 15,235,305</u>
 Excess of Additions Over (Under) Deductions	\$ 0
Net Position, July 1, 2020	<u>0</u>
 Net Position, June 30, 2021	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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, 2021, 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 22, 2021. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Hamblen County School Department, as described in our report on Hamblen County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 22, 2021

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise Hamblen County's basic financial statements. We issued our report thereon dated December 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 22, 2021

JEM/tg

Hamblen County, Tennessee, and the Hamblen County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8)
For the Year-Ended June 30, 2021

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listings 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	\$ 1,775,904 (6)
COVID 19 - School Breakfast Program	10.553	N/A	17,766 (6)
National School Lunch Program	10.555	N/A	4,361,262 (6)
COVID 19 - National School Lunch Program	10.555	N/A	30,136 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	495,221 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-21-66722	178,825
Total U.S. Department of Agriculture			<u>\$ 6,859,114</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(4)	\$ 5,100
Total U.S. Department of Housing and Urban Development			<u>\$ 5,100</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	N/A	\$ 5,000
Passed-through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	65397	41,898
Total U.S. Department of Justice			<u>\$ 46,898</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 4,964
Total U.S. Department of Labor			<u>\$ 4,964</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)	\$ 6,208
Total U.S. Department of Transportation			<u>\$ 6,208</u>
U.S. Department of the Treasury:			
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	\$ 968,535 (6)
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	598,352 (6)
Total U.S. Department of the Treasury			<u>\$ 1,566,887</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,543,726
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	2,351,044
Special Education - Preschool Grants	84.173	N/A	74,416
Career and Technical Education - Basic Grants to States	84.048	N/A	184,633
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	46,645
Education for Homeless Children and Youth	84.196	N/A	71,359
English Language Acquisition State Grants	84.365	N/A	141,903
Improving Teacher Quality State Grants	84.367	N/A	327,637
Student Support and Academic Enrichment Program	84.424	N/A	173,522
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund (ESSER I)	84.425D	N/A	1,875,927 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	N/A	525,501 (6)
Total U.S. Department of Education			<u>\$ 8,316,313</u>

(Continued)

Hamblen County, Tennessee, and the Hamblen County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 HAVA Election Security Grants	90.404	N/A	\$ 33,756
Total U.S. Election Commission			<u>\$ 33,756</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Environmental Public Health and Emergency Response	93.070	GG-21-66722	\$ 146
Family Planning Services	93.217	GG-21-66722	26,864
477 Cluster: (5)			
Temporary Assistance for Needy Families	93.558	(4)	241,266
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-21-66722	30,117
Maternal and Child Health Services Block Grant to the States	93.994	GG-21-66722	54,629
Total U.S. Department of Health and Human Services			<u>\$ 353,022</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 29,200
Total U.S. Department of Homeland Security			<u>\$ 29,200</u>
Total Expenditures of Federal Grants			<u>\$ 17,221,462</u>

State Grants		Contract Number	
Health Department Programs - State Department of Health	N/A	GG-21-66722	\$ 427,853
Litter Program - State Department of Transportation	N/A	(4)	47,704
Drug Court Recovery - State Office of Criminal Justice Programs	N/A	(4)	24,299
Juvenile Justice - State Commission on Children and Youth	N/A	(4)	9,000
State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration	N/A	(4)	1,254,914
State Aid Program - State Department of Transportation	N/A	(4)	312,800
Crime Victim Assistance - State Office of Criminal Justice Programs	N/A	(4)	51,542
Coordinated School Health - State Department of Education	N/A	(4)	98,893
Family Resource Center - State Department of Education	N/A	(4)	60,716
Safe Schools Act of 1998 - State Department of Education	N/A	(4)	292,531
Early Childhood Education - State Department of Education	N/A	(4)	648,221
After School Program - State Department of Human Services	N/A	(4)	571,439
Summer Learning Camps - State Department of Education	N/A	(4)	241,266
CTE Grant - State Department of Education	N/A	(4)	2,050
Total State Grants			<u>\$ 4,043,228</u>

FAL = Federal Assistance Listings
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 \$6,680,289; Special Education Cluster total \$2,425,460; Highway Planning and Construction Cluster total \$6,208; 477 Cluster total \$241,266; Medicaid Cluster total \$30,117.
(6) FAL No. Totals: FAL No. 10.553, \$1,793,670; FAL No. 10.555, \$4,886,619; FAL No. 21.019, \$1,566,887; FAL No. 84.425D \$2,401,428
(7) For the year ended June 30, 2021, Hamblen County received donated PPE valued at \$558,368 (\$418,776 federal and \$139,592 state) from the Tennessee Department of Military. These donations were unaudited.
(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:	Federal Assistance Listings Number	Amount Provided to Consolidated Administration
Program Title		
Title I Grants to Local Educational Agencies	84.010	\$ 162,617
Title II, Part A Improving Teacher Quality State Grants	84.367	10,317
English Language Acquisition State Grants	84.365	463
Student Support Academic Enrichment Program	84.424	1,461
Total amounts consolidated for administration purposes		<u>\$ 174,858</u>

Hamblen County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2021

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, 2021.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<u>OFFICE OF MAYOR</u>					
2020	236	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.	N/A	Corrected
<u>OFFICE OF SHERIFF</u>					
2020	237	2020-002	The sheriff used calendar funds to purchase a surveillance system for his personal residence.	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, 2021

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:
 - * Assistance Listings Number: 21.019 COVID 19 - Coronavirus Relief Fund
 - * Assistance Listings Numbers: 84.027 and 84.173 Special Education Cluster: Special Education Grant to States and Special Education - Preschool Grants
 - * Assistance Listings Number: 84.425D COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I and ESSER II)
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

There were no findings relating to the financial statements of Hamblen County, Tennessee as a result of our examination for the year ended June 30, 2021.

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, 2021.

Hamblen County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2021

The audit of Hamblen County did not report any findings and recommendations. Therefore, no management responses are 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).

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.