

PRELIMINARY OFFICIAL STATEMENT DATED MAY 5, 2021
BONDS TO BE SOLD TUESDAY, MAY 11, 2021 AT 9:00 A.M. CENTRAL DAYLIGHT TIME

New Issue
 Book-Entry Only

Rating: S&P "AA+"

This Official Statement has been prepared by Sumner County, Tennessee and provides information on the Bonds. Some of the information appears on this cover page for ready reference. A prospective investor should read the entire Official Statement to make an informed investment decision.



\$77,695,000*

SUMNER COUNTY, TENNESSEE

GENERAL OBLIGATION SCHOOL AND PUBLIC IMPROVEMENT REFUNDING BONDS, SERIES 2021

DATED: Date of Delivery

DUE: June 1, as shown below

Rating	"AA+" S&P. See "RATING".
Tax Exemption:	Interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. Interest on the Bonds is free from Tennessee taxes except Tennessee franchise and excise taxes. See "TAX MATTERS".
Interest Payment Dates:	June 1 and December 1, beginning December 1, 2021.
Denominations:	Multiples of \$5,000.
Redemption:	Bonds maturing June 1, 2032 and thereafter are subject to redemption prior to maturity on June 1, 2031 and thereafter as set forth herein. See "THE BONDS – Optional Redemption".
Security:	The Bonds are general obligations of Sumner County, Tennessee. See "THE BONDS – Security and Sources of Payment".
Purpose:	Bond proceeds will be used to refund the County's General Obligation Refunding Bonds, Series 2011, fund capital projects for the County's school system, and pay costs of issuance of the Bonds. See "THE BONDS – Description".
Bond Counsel:	Bass Berry & Sims PLC, Nashville, Tennessee.
Registration and Paying Agent:	Regions Bank, Nashville, Tennessee.
Issuer Contact:	David Lawing, Sumner County Director of Finance (615) 451-6033.
Book-Entry Only Form:	The Depository Trust Company, New York, New York. See "THE BONDS – Description".
Delivery Date:	Expected May 19, 2021.

Maturity (June 1)*	Principal*	Interest Rate	Price or Yield	CUSIP No.	Maturity (June 1)*	Principal*	Interest Rate	Price or Yield	CUSIP No.
2022	\$14,805,000				2032	\$2,625,000			
2023	15,095,000				2033	2,665,000			
2024	2,310,000				2034	2,710,000			
2025	2,350,000				2035	2,755,000			
2026	2,385,000				2036	2,795,000			
2027	2,425,000				2037	2,840,000			
2028	2,465,000				2038	2,890,000			
2029	2,505,000				2039	2,935,000			
2030	2,545,000				2040	2,980,000			
2031	2,585,000				2041	3,030,000			

*Preliminary; subject to change.



_____, 2021

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by the County from time to time, is an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Oakdale Municipal Advisors, LLC (the "Municipal Advisor") to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

Any CUSIP data included in this Official Statement is subject to Copyright, American Bankers Association (the "ABA"), and is provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed herein are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

In making an investment decision, investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities agency, nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Sumner County, Tennessee General Obligation School and Public Improvement Refunding Bonds, Series 2021.

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SUMNER COUNTY, TENNESSEE

COUNTY MAYOR

Anthony Holt

BOARD OF COUNTY COMMISSIONERS

Jerry F. Becker	Larry Hinton	Leslie Schell
Deanne DeWitt	Merrol N. Hyde	Brian Stewart
Alan Driver	Caroline S. Krueger	Danny Sullivan
Jerry W. Foster	Scott Langford, Chairman	Chris Taylor
Billy Geminden	Jeremy S. Mansfield	Moe Taylor
Paul R. Goode	Justin Nipper	Luke Tinsley
Steve Graves	Gene Rhodes	Shellie Young Tucker
Michael Guthrie	Baker D. Ring	Terry Wright

ADMINISTRATION

Finance Director	David Lawing
Road Superintendent	Judy Hardin
Administrator of Elections	Lori D. Atchley
Circuit Court Clerk	Kathryn Strong
Trustee	Cindy Williams
Assessor of Property	John C. Isbell
Sheriff	Roy "Sonny" Weatherford
County Clerk	Bill Kemp
Director of Schools	Del R. Phillips III, Ph.D.
Register of Deeds	Cindy Briley
Clerk and Master	Mark Smith

COUNTY ATTORNEY

Leah May Dennen, Esq.
Gallatin, Tennessee

BOND COUNSEL

Bass Berry & Sims PLC
Nashville, Tennessee

REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

MUNICIPAL ADVISOR

Oakdale Municipal Advisors, LLC
Portland, Tennessee

NOTICE OF SALE

\$77,695,000*

SUMNER COUNTY, TENNESSEE

GENERAL OBLIGATION SCHOOL AND PUBLIC IMPROVEMENT REFUNDING BONDS, SERIES 2021

Notice is hereby given that Sumner County, Tennessee (the "County") will accept electronic bids only for the purchase of all, but not less than all, of the County's \$77,695,000* General Obligation School and Public Improvement Refunding Bonds, Series 2021 (the "Bonds") until:

9:00 A.M. C.D.T. on Tuesday, May 11, 2021.

Bids must be submitted via IHS IPREO's BiDCOMP®/PARITY® Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. The time as maintained by IHS IPREO's BiDCOMP®/PARITY® system shall constitute the official time with respect to all bids submitted. The sale on May 11, 2021 may be postponed prior to the time bids are received as published on www.i-dealprospectus.com or the BiDCOMP®/PARITY® system. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via www.i-dealprospectus.com or the BiDCOMP®/PARITY® system upon forty-eight hours' notice. If any provisions of this Notice of Sale conflict with information provided by IHS IPREO's BiDCOMP®/PARITY® system as the provider of electronic bidding services, this Notice of Sale shall control.

The Bonds will be dated the date of delivery and will mature on June 1 in the years 2022 through 2041, inclusive, with term bonds optional. The interest rate or rates on the Bonds shall not exceed five percent (5.00%) per annum and shall be payable semi-annually on June 1 and December 1, commencing December 1, 2021. No bid for the Bonds will be considered for less than one hundred percent (100%) of par or for more than one hundred twenty (120%) of par. The Bonds maturing June 1, 2032 and thereafter are callable on June 1, 2031 and thereafter as provided in the Detailed Notice of Sale. The Bonds will be awarded to the bidder whose bid results in the lowest true interest cost on the Bonds. The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

After opening the bids, the County reserves the right to increase or decrease the aggregate principal amount of the Bonds and to increase or decrease the principal amount of each maturity as described in the Detailed Notice of Sale.

In the event the competitive sale requirements of applicable Treasury Regulations are not met, the County will require bidders to comply with the "hold-the-offering-price rule" for purposes of determining the issue price of the Bonds.

The book-entry only Bonds (except that the Bonds shall not be required to be book-entry if purchased by a bidder who does not intend to reoffer the Bonds) and approving opinion of Bass Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the County. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the Office of the Finance Director, 355 N. Belvedere Drive, Room 302, Gallatin, Tennessee 37066, or from the County's Municipal Advisor, Oakdale Municipal Advisors, LLC, Telephone: (615) 351-4409; Electronic Mail: julianne@oakdale-ma.com; Attention: Julianne Graham.

Anthony Holt
County Mayor

*Preliminary, subject to change as provided in the Detailed Notice of Sale.

DETAILED NOTICE OF SALE

\$77,695,000*

SUMNER COUNTY, TENNESSEE

General Obligation School and Public Improvement Refunding Bonds, Series 2021

Time and Place of Sale

Notice is hereby given that the County Mayor of Sumner County, Tennessee (the "County") will accept electronic bids only for the purchase of all, but not less than all, of the County's \$77,695,000* General Obligation School and Public Improvement Refunding Bonds, Series 2021 (the "Bonds") until:

9:00 A.M. C.D.T. on Tuesday, May 11, 2021.

Bids must be submitted via IHS IPREO's BiDCOMP®/PARITY® Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of the electronic bidding process, the time as maintained by via IHS IPREO's BiDCOMP®/PARITY® system shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by IHS IPREO's BiDCOMP®/PARITY® system as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all the Bonds on May 11, 2021 may be postponed prior to the time bids are to be received and as published on www.i-dealprospectus.com or the BiDCOMP®/PARITY® system. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via www.i-dealprospectus.com or the BiDCOMP®/PARITY® system upon forty-eight hours' notice.*** Unless all bids for the Bonds are rejected as set forth in this Detailed Notice of Sale under the heading "Basis of Award", the Bonds will be awarded on such date by the County Mayor.

Description of Bonds

The Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on June 1 of each year as follows:

<u>Year</u> <u>(June 1)*</u>	<u>Principal*</u>	<u>Year</u> <u>(June 1)*</u>	<u>Principal*</u>
2022	\$14,805,000	2032	\$2,625,000
2023	15,095,000	2033	2,665,000
2024	2,310,000	2034	2,710,000
2025	2,350,000	2035	2,755,000
2026	2,385,000	2036	2,795,000
2027	2,425,000	2037	2,840,000
2028	2,465,000	2038	2,890,000
2029	2,505,000	2039	2,935,000
2030	2,545,000	2040	2,980,000
2031	2,585,000	2041	3,030,000

Registration and Depository Participation

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One Bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules

and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable semiannually on June 1 and December 1, beginning December 1, 2021, and principal of the Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 or integral multiples thereof. In addition, and notwithstanding anything herein to the contrary, upon the request of the successful bidder for the Bonds if the successful bidder for the Bonds certifies that it has no present intent to reoffer the Bonds, the Bonds may be issued in fully certificated form only. The ownership of Bonds so delivered shall be registered in registration books to be kept by Regions Bank, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"), at its designated corporate office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the resolution authorizing the Bonds.

In addition, and notwithstanding anything herein to the contrary, upon request of the successful bidder for the Bonds, the Bonds may be issued in fully registered certificated form registered in the name of the successful bidder without using DTC and the book-entry system if the bidder certifies that it does not intend to reoffer the Bonds to the public. The ownership of the Bonds shall be registered in registration books to be kept by Regions Bank, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"), at its principal corporate office or (if the Bonds are not in book-entry form, at the option of the County, by the County Trustee) and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the resolution authorizing the Bonds.

Optional Redemption

Bonds maturing on June 1, 2032 and thereafter shall be subject to redemption prior to maturity at the option of the County on or after June 1, 2031 as a whole, or in part, at any time, at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners of the County in its discretion. If less than all the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption

The successful bidder shall have the option to designate certain consecutive serial maturities of the Bonds as one or more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be

redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed above for such principal payment date. Term Bonds to be redeemed within a single maturity shall be determined by DTC, or its successor, by lot or such other manner as DTC, or successor, shall determine; or if the Term Bonds are not being held under a Book-Entry System, the Term Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Purpose and Authority of Bonds

The Bonds are being issued to refund the County's outstanding General Obligation Refunding Bonds, Series 2011, fund capital projects for the County's school system, and pay costs of issuing the Bonds.

The Bonds are being issued under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated and Sections 49-3-1001 et seq., Tennessee Code Annotated, and pursuant to an authorizing resolution adopted by the Board of County Commissioners on March 22, 2021.

Security and Sources of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The full faith and credit of the County are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions to which the Bonds are issued, reference is hereby made to the resolution authorizing the Bonds.

Submission of Bid

All bids be submitted as set forth under the heading "**Time and Place of Sale**", set forth above. Only electronic bids will be accepted for the Bonds.

Electronic bids must be submitted to IHS IPREO's BiDCOMP®/PARITY® system. An electronic bid made through the facilities of IHS IPREO's BiDCOMP®/PARITY® system shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the County. To the extent any instructions or directions set forth in BiDCOMP®/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to the IHS IPREO's BiDCOMP®/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The County will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Bids must be unconditional and received by IHS IPREO's BiDCOMP®/PARITY® before the time stated above. Bidders shall be required to comply with the provisions regarding a Good Faith Deposit as described below in the section entitled "Good Faith Deposit". The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Form of Bids

All bids for the Bonds must be for not less than all the Bonds. Bidders must bid not less than 100% of par nor greater than 120% of par (the "Purchase Price") for all the Bonds. Bidders must specify the interest rate or rates the Bonds are to bear in multiples of one-eighth (1/8th) or one-one hundredth (1/100th) of one percent (1%), but no rate specified for the Bonds shall be in excess of 5% per annum. There will be no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all the Bonds of a maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated

serial maturities. Bidders must specify the reoffering prices or yields of each maturity. Each maturity of the Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity.

Revised Maturity Schedule

The aggregate principal amount of the Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts of Bonds (the "Preliminary Annual Principal Amounts" and collectively, with reference to the Preliminary Aggregate Principal Amounts, the "Preliminary Amounts") set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds. Any such revisions (the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.i-dealprospectus.com NOT LATER THAN 4:00 P.M., CENTRAL DAYLIGHT TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS, IF ANY. Prospective bidders may request notification by electronic mail of any revisions in the Preliminary Amounts by so advising and sending their electronic mail address to Oakdale Municipal Advisors, LLC, Municipal Advisor to the County, at julianne@oakdale-ma.com or by calling 615.351.4409 by Noon Central Daylight Time, at least one day prior to the date for receipt of the bids.

Changes to Maturity Schedule

The County reserves the right to change the Revised Aggregate Principal Amount of the Bonds and the Revised Annual Principal Amounts of the Bonds after determination of the winning bidder, by increasing or decreasing the Revised Annual Principal Amount of each maturity of the Bonds (which could result in the elimination of certain maturities) provided that the principal amount of the bonds may not exceed \$77,735,000. Such changes, if any, will determine the final annual principal amounts of the Bonds (the "Final Annual Principal Amounts") and the final aggregate principal amount of Bonds (the "Final Aggregate Principal Amount"). The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The County anticipates that the Final Annual Principal Amounts of the Bonds and the Final Aggregate Principal Amount of Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Basis of Award

If an award is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the County for the Bonds as determined by reference to the Revised Aggregate Principal Amounts as discussed in the paragraph above. The lowest true interest cost on the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of such Bonds) produces a yield equal to the purchase price of the Bonds. For the purpose of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Bonds thereof at the same lowest true interest cost, the County Mayor shall determine, in the sole discretion of the County Mayor, which of the bidders shall be awarded the Bonds.

The County Mayor reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of Bonds will be made by the County Mayor on the sale date specified in the Notice of Sale.

Good Faith Deposit

The successful bidder will be required to submit a good faith deposit (the “Deposit”) in the amount of \$1,553,900.00 for the Bonds. The Deposit shall be provided in the form of a federal funds wire transfer submitted to the County by the successful bidder by 3:00 p.m. Central Daylight Time on the date of the sale, provided the County awards the bid by 2:00 p.m. Central Daylight Time; otherwise the wire shall be received not later than 12:00 noon Central Daylight Time on the next business day following the award. The County Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.

Wire transfer instructions shall be submitted to the successful bidder. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the County Mayor, and the County Mayor, in his discretion, may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the County and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the Bonds. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the County Mayor and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds.

CUSIP

CUSIP numbers will be assigned to the Bonds at the expense of the County. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for the Bonds in accordance with this Detailed Notice of Sale.

Establishment of Issue Price

General. The winning bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County’s Municipal Advisor identified herein and any notice or report to be provided to the County may be provided to the County’s Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The County anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the County expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Bonds, the County intends to treat the initial offering prices of the Bonds to the public as the issue price of such Bonds (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The County acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Definitions. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

- a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- “sale date” means the date that the Bonds are awarded by the County to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the County, at closing, with an issue price certificate consistent with the foregoing, together with any supporting documentation such as pricing wires or equivalent communications. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the issue price certificate may be modified in a manner approved by the County.

Provision of Information for the Official Statement

The successful bidder must furnish the following information to the County to complete the *Official Statement* in final form within 2 hours after receipt and award of the bids for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the County.

Official Statement

The County will provide or cause to be provided, to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statements will be provided to the successful bidder not later than seven (7) business days after the sale, or, if the County, or its Municipal Advisor, is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent, the final official statements will be provided in sufficient time to accompany such confirmation.

Continuing Disclosure

The County will, at the time the Bonds are delivered, execute a Continuing Disclosure Certificate (See Appendix D), in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County not later than twelve months after each of the County's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.com and with any State Information Depository established in the State of Tennessee (the "SID").

Legal Opinion and Transcript

The book-entry Bonds and the approving opinion of Bass Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds), together with the Bond transcript, including a certificate as to no litigation from the County dated as of the date of the delivery of the Bonds, will be furnished to the purchaser at the expense of the County. As set forth in the Official Statement and subject to the limitations set forth therein, Bond Counsel's

opinion will include an opinion that (i) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. Owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion thereof, reference is made to the Official Statement and the form of bond counsel opinion contained in the Official Statement. For a discussion thereof, reference is hereby made to the Official Statement and the form of opinion contained therein.

Delivery and Payment

The Bonds are expected to be ready for delivery on or about May 19, 2021, in book-entry form (except as otherwise provided herein). At least five (5) days' notice will be given to the bidder. Delivery will be made through The Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Bonds must be made in federal funds or other immediately available funds.

Further Information

Further information, including the Preliminary Official Statement and the Notice of Sale, may be obtained from the undersigned at the Office of the Finance Director, 355 N. Belvedere Drive, Room 302, Gallatin, Tennessee 37066, or from Oakdale Municipal Advisors, LLC, Attention: Julianne Graham; Telephone: (615) 351-4409; Electronic Mail: julianne@oakdale-ma.com. Additional information regarding the IHS IPREO's BiDCOMP®/PARITY® Competitive Bidding System may be obtained from IPREO at www.newissuehome.i-deal.com, Telephone: (212) 849-5023, Electronic Mail: munis@ihsmarkit.com.

Anthony Holt
County Mayor

Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Sumner County, Tennessee (the "County"). See <i>Appendix B</i> .
ISSUE	\$77,695,000* General Obligation School and Public Improvement Refunding Bonds, Series 2021 (the "Bonds").
PURPOSE	The Bonds are being issued to refund the County's outstanding General Obligation Refunding Bonds, Series 2011, fund capital projects for the County's school system, and pay costs of issuing the Bonds. See <i>"THE BONDS -- Description"</i> .
SECURITY	The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The full faith and credit of the County are irrevocably pledged for the prompt payment of principal of and interest on the Bonds. See <i>"THE BONDS -- Security and Sources of Payment"</i> .
DATED DATE	May 19, 2021.
INTEREST DUE	Each June 1 and December 1, commencing December 1, 2021.*
PRINCIPAL DUE	June 1, commencing June 1, 2022 through June 1, 2041.*
SETTLEMENT DATE	Expected May 19, 2021.
OPTIONAL REDEMPTION	The Bonds may be optionally redeemed by the County at a price of par at any time on or after June 31, 2031*, as more fully set forth herein. See <i>"THE BONDS -- Optional Redemption"</i> .
RATING	"AA+" by S&P Global Ratings (the "Rating Agency"), based on documents and other information provided by the County. The rating reflects only the view of the Rating Agency and neither the County nor the Underwriter makes any representations as to the appropriateness of such rating. There is no assurance that such rating will continue for any given period or that it will not be lowered or withdrawn entirely by the Rating Agency, if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from the Rating Agency. See <i>"RATING"</i> .
TAX MATTERS	Bass Berry & Sims PLC will provide an unqualified opinion as to the tax exemption of the Bonds discussed under "TAX MATTERS" herein.

* Preliminary and subject to change

REGISTRATION AND

PAYING AGENT Regions Bank, Nashville, Tennessee.

MUNICIPAL ADVISOR Oakdale Municipal Advisors, LLC, Portland, Tennessee.

UNDERWRITER _____, _____, _____.

Official Statement

SUMNER COUNTY, TENNESSEE

\$77,695,000*

General Obligation School and Public Improvement Refunding Bonds, Series 2021

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Sumner County, Tennessee (the "Issuer" or the "County") of \$77,695,000* General Obligation School and Public Improvement Refunding Bonds, Series 2021 (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101, et seq., Tennessee Code Annotated and Sections 49-3-1001 et seq., Tennessee Code Annotated, and pursuant to an authorizing resolution adopted by the Board of County Commissioners on March 22, 2021 (the "Resolution") authorizing the issuance, sale and payment of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the County. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive document, including the form of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the County. After delivery of the Bonds, copies of such documents will be available for inspection at the County Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Bonds

Description

The Bonds are being issued to refund the County's outstanding General Obligation Refunding Bonds, Series 2011, dated May 17, 2011, maturing June 1, 2022 and June 1, 2023 (the "Refunded Bonds"), fund capital projects for the County's school system (the "Projects"), and pay costs of issuing the Bonds.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on June 1 and December 1 of each year (herein an "Interest Payment Date"), commencing December 1, 2021.*

The Bonds will mature on the dates and in the amounts set forth on the cover page.*

Except as otherwise provided in the Detailed Notice of Sale and in the Resolution, the Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New

York ("DTC"), which will act as securities depository for the Bonds. Regions Bank, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Optional Redemption

Bonds maturing June 1, 2032 and thereafter shall be subject to redemption prior to maturity at the option of the County on June 1, 2031 and thereafter as a whole or in part at any time, at the redemption price of par plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners in its discretion. If less than all the Bonds within a single maturity

shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption

Subject to the credit hereinafter provided, the County shall redeem Bonds maturing June 1, 20__ on the redemption dates set forth below opposite, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds maturing June 1, 20__ to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond maturing June 1, 20__ so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory (if applicable), shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, if applicable, notices of which shall be given at least forty-five (45) days prior to the redemption date unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Security and Sources of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The full faith and credit of the County are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

Levy of Tax

Pursuant to the Resolution, the County, through its County Commission, has covenanted to annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Bonds when due, and levied a direct annual tax in such amount as may be found necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds on hand from this tax levy will be paid from the current funds of the County and reimbursement therefor will be made out of the taxes authorized to be levied under the Resolution when collected. The tax may be reduced to the extent of any direct appropriations from other funds, taxes and revenues of the County to the payment of debt service on the Bonds.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is

neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is made to the Resolution.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Board of County Commissioners instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

If the County pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Remedies of Bondholders

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). Only one fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

The Projects

Pursuant to the Resolution, a portion of the Bond proceeds will be deposited in a Construction Fund to be held and invested by the County and used to pay costs of the Projects and the costs of issuing the Bonds. Monies in the Construction Fund may be invested as permitted by Tennessee law and may not be used for any purpose other than the Projects and costs of issuance for the Bonds.

Redemption of Refunded Bonds

Pursuant to the Resolution, a portion of the Bond proceeds will be paid directly to the paying agent for the Refunded Bonds, which will be retired on or about June 1, 2021.

Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds

Par Amount	\$ _____
Reoffering Premium (Discount)	_____
Total Sources	\$ _____

Uses of Funds

Redemption of Refunded Bonds	\$ _____
Construction Fund	_____
Costs of Issuance (includes Underwriter's Discount and Expenses)	_____
Total Uses	\$ _____

Rating

The Bonds have been assigned a rating of "AA+" by S&P Global Ratings (the "Rating Agency") based on documents and other information provided by the County. The rating reflects only the view of the Rating Agency, and neither the County, the Municipal Advisor, nor the Underwriter make any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period or that it will not be lowered or withdrawn entirely by the Rating Agency, if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from the Rating Agency.

Continuing Disclosure

General

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2021 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.com and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

The County believes that it has not failed to comply in any material respect with the previous undertakings in the past five years. The County's Director of Finance (David Lawing) and Assistant Director of Finance (Bethany Browning) have been assigned responsibility for monitoring the continuing disclosure undertakings and filing or causing to be filed all Annual Reports as and when required.

Future Issues

The County currently has no plans to authorize the issuance of bonds or notes for capital projects; however, it is not possible to foresee all capital needs and circumstances may change.

The Sumner County School Board anticipates additional funding needs for school construction and maintenance to provide for growth in student enrollment. School officials have estimated additional funds may be needed for land and construction costs over the next five-year window. Projects are in the planning stages, and final amounts and timing have not been determined or approved by the Board of County Commissioners.

COVID-19 Pandemic

The worldwide spread of COVID-19, a respiratory illness caused by a novel strain of coronavirus, is a pandemic that has affected the entire world, including the County, and is considered by the World Health Organization to be a Public Health Emergency of International Concern. The Governor of the State issued a state of emergency for the State in March 2020 in response to the COVID-19 pandemic. The spread of COVID-19 has led to quarantine and other "social distancing" measures throughout the United States, including the County. These measures have included, from time to time, (i) the closure of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduction of capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments, and (v) the closure of school buildings. The Governor of the State lifted the state of emergency on April 27, 2021. However, the State or the County may issue future restrictions in response to the pandemic.

Multiple vaccines for the virus that causes COVID-19 were developed in late 2020. To date, three vaccines have been approved for distribution in the United States with each of these vaccines having an efficacy rate exceeding 65%. Multiple variants of the virus that causes COVID-19 have been documented in the United States and globally, but studies so far suggest that antibodies generated through vaccination with approved vaccines recognize these variants to varying extents. COVID-19 vaccines are currently available to all residents within the State who are over the age of 16.

The County is unable to predict (i) the extent or duration of the COVID-19 outbreak or other epidemic or pandemic, (ii) the extent or duration of existing and additional quarantines, travel restrictions and other measures relating to COVID-19 or other epidemic or pandemic, and (iii) whether and to what extent the COVID-19 outbreak or other epidemic or pandemic may disrupt the local or global economy, manufacturing or supply chain or whether any such disruption may adversely affect the operations of the County. Given the evolving nature of the spread of the disease and the behavior of governments, businesses, and individuals in response thereto, the County cannot accurately predict the magnitude of the impact of COVID-19 on the County and its financial condition. The County is working with the State and other local governments to mitigate the spread of COVID-19 within the County, while preserving effective staffing for all essential County operations. At a minimum, the County expects that tax collections

derived from commercial activity (such as sales taxes) will be adversely affected during any period when quarantine and other social-distancing measures remain in place.

Although it is not possible to precisely predict the magnitude of the ultimate impact of the COVID-19 outbreak on the County's finances, the County is carefully monitoring the immediate effect and is attempting to make projections as to the impact of the epidemic on the 2020-2021 fiscal year. For the 2020-2021 fiscal year, the County's largest source of local revenues is property tax payments, which are due annually on October 1 and are considered delinquent on the last day of February the following calendar year. As of April 1, 2021, the County has collected 96% of its billed property taxes for tax year 2020. Over 99% of 2019 taxes have been collected as of April 1, 2021. The economic uncertainties resulting from COVID-19 may result in further delays in the collection of the remaining amount of the 2020 property taxes. Additionally, it is uncertain whether it will affect collections in future years if the COVID-19 outbreak and resulting restrictions continue. Therefore, to alleviate a portion of the uncertainty, Sumner County prepared its Fiscal Year 2021 budget with a current-year-property-tax-collectability-rate significantly less than what has been received. The current-year-property-tax-collectability-rate budgeted was set at approximately 93.5%, which is considerably lower than the actual rate during the last recession of around 95.5% and has already been exceeded.

The County's second-largest source of local revenues is sales tax revenues, as described on page B-26 herein. Such tax revenues comprised approximately 7% of the County's (including the school department's) revenues in the fiscal year ended June 30, 2020. Sales tax revenues for the fiscal year through March 2021, the most recent month for which information is available, were 118% of the amount collected in the same period the prior year.

The County also collects other tax revenues such as hotel-motel, business, and motor vehicle taxes that are expected to be materially affected by business closures and reduced economic activity resulting from the COVID-19 outbreak. These revenues combined historically make up approximately 2.6% of the County's (including the school department's) total revenues. Hotel/Motel Tax received through March 30, 2021 is approximately 78% of the prior year for the same period.

County administration adopted a budget exclusive of the school department component unit for the 2021 fiscal year which anticipates a 5.1% decline in County revenues primarily because of the COVID-19 outbreak. This includes a projected 6.2% decline in budgeted sales tax revenues and a 43.5% estimated reduction in budgeted hotel-motel tax revenues in the current fiscal year. Given the uncertainty as to when businesses, including tourism-related businesses, will be able to be fully operational, these projected declines may or may not reflect actual results. When budgeting for the 2021 fiscal year, County administration proposed specific cost reduction measures to offset projected revenue loss due to the COVID-19 outbreak.

The County has received and expects to receive some State and/or Federal assistance to offset the costs of addressing the COVID-19 outbreak. The County has not yet been fully informed of the timing or amount of all assistance that may be provided, nor does the County know the exact scope of expenses that will be payable from such assistance. Therefore, the County cannot provide assurances as to what level the projected decline in tax revenues will be mitigated by such assistance. At a minimum, Sumner County received a Governor's Local Government Support Grant for \$2,446,959, which can be utilized for offsetting the loss of local revenue or supplementing local revenues, if needed. These funds will be available on July 31, 2021. The County's 2021 budget does not include the Governor's Local Government Support Grant nor any other assistance as a source of revenue to provide for a balanced budget. It does, however, include

\$245,802 of Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) funds for additional costs related to elections during the pandemic. The County received total CARES Act funds of \$3,085,283 in fiscal year 2021 of which \$245,802 was for the additional costs related to elections during the pandemic.

The County’s liquidity position remains strong. As of March 31, 2021, the County’s General Fund has approximately \$45.7 million in cash. **The County’s current liquidity position is expected to be adequate to fund essential services and make timely debt service payments on the County’s outstanding and authorized obligations.**

Demographic and financial information related to the County are detailed in Appendix B. Some of this information may not be reflective of current financial conditions as related to the effects of the COVID-19 pandemic. For example, unemployment rates throughout the United States, including the County and the State of Tennessee, increased significantly in 2020 due to the COVID-19 outbreak. In addition, Appendix B lists the largest employers in the County. The outbreak has affected businesses throughout the United States, including businesses in the County, and some of the employers listed in Appendix B have reduced their employment levels from those described herein. Given the current economic environment, the County is not able to provide accurate updates to this information.

Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. As of the date of this Official Statement and after reviewing the current status of all pending and threatened litigation with its counsel, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the County's financial condition.

As of the date of this Official Statement, the County has no knowledge or information concerning any pending or threatened litigation contesting the authority of the County to issue, sell or deliver the proposed Bonds. The County has no knowledge or information of any actions pending or expected which would materially affect the County's ability to pay the debt service requirements of the proposed Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. A copy of the opinion will be delivered with the Bonds (See Appendix A). Certain legal matters will be passed upon for the County by Leah May Dennen, Esq., Gallatin, Tennessee, Counsel to the County.

Tax Matters

Federal Taxes

General. Bass Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and
- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also “Changes in Federal and State Tax Law” below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is “Bond premium” on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder’s tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Bond will have “original issue discount” if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel’s opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder’s federal gross income under the Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder’s tax basis in these Bonds will be increased. If a bondholder

owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Unless the recipient is otherwise exempt, interest on the Bonds is subject to Federal information reporting requirements which can be generally satisfied upon the filing of a Form W-9, "Request for Taxpayer Identification Number and Certification." Failure to satisfy the information reporting requirements does not affect the excludability of the interest on the Bonds, but will result in a tax being withheld from the interest payment, calculated as set forth in the Code. Once the required information is provided, such amounts withheld would be allowed as a refund or credit against the Bondholder's Federal income tax.

State Taxes. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law. From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Miscellaneous. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Municipal Advisor

Oakdale Municipal Advisors, LLC is serving as Municipal Advisor to the County in connection with the issuance of the Bonds. Oakdale Municipal Advisors, LLC in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds. The information set forth herein has been obtained by the County and other sources believed to be reliable. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this

transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

Underwriting

_____, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$_____, which is par, plus/less original issue premium/discount of \$_____, less Underwriter's Discount of \$_____.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Debt Record

There is no record of a default on principal and interest payments by the County from information available. Additionally, no agreements or legal proceedings of the County relating to securities have been declared invalid or unenforceable.

Miscellaneous

The foregoing summaries do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. For details of all terms and conditions, purchasers are referred to the Resolution, copies of which may be obtained from the County.

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the County.

{Intentionally Blank}

Certificate of County

I, Anthony Holt, do hereby certify that I am the duly qualified and acting County Mayor of Sumner County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated _____, 2021 issued in connection with the sale of the County's \$_____ General Obligation School and Public Improvement Refunding Bonds, Series 2021, and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of the acceptance of the winning bid and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bid and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this ____ day of _____ 2021.

/s/ _____
County Mayor

I, Bill Kemp, do hereby certify that I am the duly qualified and acting County Clerk of Sumner County, Tennessee, and as such official, I do hereby certify that Anthony Holt is the duly qualified and acting County Mayor of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of Sumner County, Tennessee as of the date subscribed to the foregoing certificate.

/s/ _____
County Clerk

(SEAL)

APPENDIX A

Proposed Form of Legal Opinion of Bass Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Bonds.

(Proposed Form of Opinion of Bond Counsel)

Bass Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

(Dated Closing Date)

We have acted as bond counsel to Sumner County, Tennessee (the "Issuer") in connection with the issuance of \$_____ General Obligation School and Public Improvement Refunding Bonds, Series 2021, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds (the "Resolution") has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds

in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

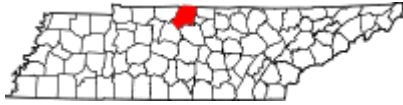
We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B

Demographic and General Financial Information
of the County



DEMOGRAPHIC AND FINANCIAL INFORMATION

The second county formed in Tennessee, Sumner County (the “County”) is in the northern middle portion of the state, northeast of Nashville. The County is within a day’s drive of 75% of the nation and within 500 miles of most major cities east of the Mississippi River. The County sits on Old Hickory Lake and the Cumberland River which provide myriad opportunities for fishing, boating and other water sports. The County’s golf courses, parks and ball fields attract visitors and tournaments from across the country. The County lies on the Tennessee border with Kentucky. Gallatin, the county seat, is located approximately 30 miles north of downtown Nashville. The County is part of the Nashville Metropolitan Statistical Area. Eight incorporated cities lie within the boundaries of the County including Gallatin, Goodlettsville, Hendersonville, Millersville, Mitchellville, Portland, Westmoreland and White House.

Gallatin, the county seat, was celebrated as a model for the rest of the world when Reader’s Digest named the city the “Nicest Place in America” in its November 2017 issue. The magazine launched the contest in the spring of 2017 looking for exceptional places that serve as the epicenters of trust and community spirit.

The County encompasses approximately 529 square miles.

Sumner County’s business community is anchored by large manufacturing and distribution operations, an outstanding mix of professional service companies and a rapidly expanding retail sector. The County’s 63-mile southern border meanders along Old Hickory Lake, which gives Sumner County a unique claim within the Nashville area to a major navigable waterway with lakeside living and unlimited water recreation.

GOVERNMENTAL STRUCTURE

The County was first incorporated in 1786 under the provisions of the constitution and general statutes of the State of Tennessee. The governing body of the County is a twenty-four-member Board of Commissioners elected to four-year terms of office by direct vote of the voters in each district represented. The County Mayor is the chief financial and administrative official of the County and is elected by a direct vote of the people to a four-year term of office. The current terms of the Board of Commissioners and the County Mayor commenced on September 4, 2018. The Chairman of the Commission is selected by vote of the membership and presides at meetings.

The County provides a full range of services characteristic of similar jurisdictions in the State including public safety, roads, health and welfare, social, culture and recreation, agriculture and natural resources, administration of justice, education, and general finance and administrative services.

POPULATION

The U.S. Census Bureau reports an estimate of 191,283 people in the County in 2019 reflecting a 19 percent increase in population since the 2010 Census figure of 160,645 and a 47 percent increase since the 2000 Census.

	2019 ¹	2015 ¹	2010	2000	1990
Sumner County	191,283	175,989	160,645	130,449	103,281
Tennessee	6,829,174	6,499,615	6,346,105	5,689,283	4,877,185
United States	328,239,523	316,515,021	308,745,538	281,421,906	248,709,873

Source: US Census Bureau, Population Division

¹ estimates

INCOME, CONSTRUCTION AND HOUSING

Median Household Income, 2020 ²	\$66,328
Average Household Income, 2020 ²	\$90,316
Per Capita Personal Income, 2019 ³	\$50,213
Total Housing Units, 2020 ²	83,865
Average Home Value, 2020 ²	\$287,899
Median Home Value, 2020 ²	\$240,699
Persons Below Poverty (%), 2010 ¹	9.9%

¹ U.S. Bureau of Census

² County Economic and Community Development sources including ESRI Income and Housing profiles

³ Bureau of Economic Analysis, Current Release Personal Income Summary

The table below shows households by income.

INCOME LEVEL	PERCENT OF TOTAL HOUSEHOLDS	NUMBER OF HOUSEHOLDS
Less than \$15,000	7.5%	5,612
\$15,000 to \$24,999	6.4%	4,774
\$25,000 to \$34,999	8.2%	6,133
\$35,000 to \$49,999	12.3%	9,170
\$50,000 to \$74,999	21.3%	15,906
\$75,000 to \$99,999	12.4%	9,257
\$100,000 to \$149,999	17.7%	13,264
\$150,000 to \$199,999	7.6%	5,707
\$200,000 and above	6.7%	5,003
Total Households	100%	72,931

Source: County Economic and Community Development sources, 2020 estimates

The table below lists the number of new housing units authorized by entities within the County for the calendar years listed.

CALENDAR YEAR	NUMBER OF PERMITS ISSUED
2013	813
2014	869
2015	1,074
2016	1,341
2017	2,368
2018	1,728
2019	1,416

Source: United States Census Bureau, Building Permits Survey

The table below shows data based on home sales in 2019 compiled by the Tennessee Housing Development Agency. Data accounts for the sales prices of new and existing homes sold in 2019 only.

	SUMNER COUNTY	TENNESSEE
Number of New Home Sales	944	18,754
Average Price of New Homes Sold	\$356,355	\$361,019
Number of Existing Homes Sold	3,105	92,672
Average Price of Existing Homes Sold	\$300,321	\$249,217
All Homes Sold	4,049	111,426
Average Price of All Homes Sold	\$313,385	\$268,034

Source: Tennessee Housing Development Agency

MAJOR EMPLOYERS

Set forth on the next page is a list of major employers in the County, their product/service, and the approximate number of people they employ. There can be no assurance that any employer listed below will continue to be located in the County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below. The COVID-19 outbreak has affected businesses throughout the United States, including businesses in the County, and some of the employers listed below have reduced their employment levels from those described herein. Given the current economic environment, the County is not able to provide accurate updates to this information. See "COVID-19 Pandemic" discussion on page 9 herein.

MAJOR EMPLOYERS IN SUMNER COUNTY

EMPLOYER	PRODUCT/SERVICE	APPROXIMATE EMPLOYMENT
Sumner County Board of Education	Public Education	4,300
Gap Inc.	Clothing Distribution	3,418
Sumner Regional Medical Center/Highpoint Health	Medical Facilities	1,129
Xtend Healthcare	Revenue Cycle Management	928
UNIPRES	Metal Stamping Automotive Parts	900
Sumner County Government	County Government	883
Volunteer State Community College	Two-year Public College	820
YAPP USA Automotive Systems	Tier I Automotive Supplier	800
ABC Technologies	Automotive Fuels Systems	785
TriStar Hendersonville	Hospital	640
Peyton's MidSouth	Distribution for Kroger	491
SERVPRO (Headquarters)	Cleaning Equipment	454
Wal-Mart	Retail	450
City of Gallatin	City Government	428
N.A.S.G. Tennessee, North	Automotive Metal Stamping	351
City of Hendersonville	City Government	347
A.B.B./ Thomas & Betts	Electrical Boxes	335
Kirby Building Systems/ Nucor	Steel Fabrication	279
Shoals Technologies	Solar Cable Assembly	272
Salga Plastics	Tier I Automotive Supplier	264
Hoeganaes	Powdered Metal	232
NIC Global Manufacturing Solutions	Precision Sheet Metal	200
MGM Industries	Metal Storm Doors and Windows	195
Stevison Ham Company	Packaged Hams	190
Aladdin Temp-Rite LLC	Food Service Equipment/Medical	175
TVA Steam Plant	Electric Power Generation	175
ITW/CIP Tennessee	Automotive Fasteners	171
Central Research Inc.	Call Center	164
City of Portland	City Government	161
Beretta USA	Firearms Manufacturing	160
RC Tennessee	Plastic Injection Molding	160
Simpson Strong Tie	Auto-Feed Screw Driving Systems	155
U.S. Tsubaki Automotive, LLC	Engineering Conveyor Systems	151
Nationwide Studios (Headquarters)	Specialty Photography	140
UTC F&S	Federal Express Distribution	140
First Fleet Trucking, Inc.	Trucking	130
Gateway Packaging	Pet Food Bags	124
PPG	Automotive Part Coating/Finishing	123
M Pack	Packaging Contractor	120
Nashville Wraps	Retail Packaging Distribution	120
Charles C. Parks	Food Distribution	118
Solstice Sleep	Mattress Manufacturing	110
ITW Dynatec	Adhesives	100
Novita An Osram Business	Electrical Equipment	100

Source: Economic and Community Development Offices within the County and individual companies

RECENT DEVELOPMENTS

In the past year seven companies relocated to Gallatin. Wood., a heavy construction company, brought 200 jobs. Power Consulting Associates moved their headquarters to Gallatin bringing 200 jobs. Regenesis, a California company specializing in groundwater reclamation expanded to Gallatin bringing 45 jobs. Appalachian Pipeline brought their corporate headquarters to Gallatin along with 20 engineering jobs. D & S Industries, an industrial textile manufacturer that supplies NASA, the airline industry and medical fields began construction on an 81,000 square foot facility. Archer Datacenters broke ground on Phase 1 of an eventual 280,000 square foot co-location data center. Boise Cascade purchased an existing facility to bring their Middle Tennessee operations from Nashville. Gap, Inc. announced an investment of \$65 million and the hiring of an additional 500 workers to bolster on-line distribution at their 2.4 million square foot facility in Gallatin. Most recently, Facebook announced that they are building an \$800 million data center in Gallatin. Construction is underway on the 984,000 square foot facility, bringing 1,100 construction workers that are expected to stay for six years.

U.S. Tsubaki Automotive, LLC in Portland completed a major expansion in 2019. The expansion includes an investment of \$35.8 million and the creation of seventy new jobs. The expansion included an additional 250,000 square foot facility. U.S. Tsubaki supplies major automotive original equipment manufacturers in North America such as General Motors, Ford, Toyota, Nissan, and others.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT DATA

The labor force within the County has increased from 86,108 in 2014 to 102,812 in February 2021, reflecting an 19.4% five-year increase.

Set forth below are the average annual unemployment rates for the State of Tennessee and Sumner County for the years 2011 through February 2021. Unemployment levels of the County and the State of Tennessee significantly rose in 2020 due to the affects of COVID-19. See “COVID-19” discussion on page 9 herein.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ¹
TENNESSEE	9.2%	7.6%	7.8%	6.6%	5.6%	4.7%	3.8%	3.5%	3.4%	5.6%	4.9%
SUMNER COUNTY	8.0%	5.9%	6.2%	5.3%	4.6%	3.9%	3.0%	2.8%	2.7%	5.0%	3.9%

Source: U.S. Bureau of Labor Statistics

¹ Figures are preliminary and reflect the month of February only.

TRANSPORTATION

One of only six places in the United States, three major interstates converge in middle Tennessee, meaning that Sumner County is within a one-day truck drive to 75% of all U.S. Markets as well as within 650 miles of 50% of the U.S. population. Highway systems in the area are rated among the nation’s best, offering exceptional connections for freight and commuting. Combined with the area’s outstanding air, rail, and waterway transportation options, it is easy to see why the region has become a draw for manufacturers, distributors, and corporate headquarters needing quick access to cities around the world.

Interstate 65 runs along the County’s western border. U.S. Highways 31E and 31W serve the County. State Routes 25, 52, 76, 109, 258 and 386 also provide convenient transportation.

State Route 109 connects Interstate 65 in Portland near the Kentucky state line with Interstate 40 in Lebanon/Mount Juliet (Wilson County). A majority of the road is already four to five lanes. The rest of

the widening is under construction. State Route 109 cuts 25 miles (and significant traffic congestion) off a commuter's trip by circumventing Nashville. Recent improvements on State Route 109 have significantly increased retail investment in the County, and a reduction in the number of vehicle accidents has been an immediate result.

The extension of State Route 386 (Vietnam Veterans Memorial Boulevard) from Hendersonville to Gallatin now promotes more efficient travel between Sumner County's two largest cities and provides increased access to other major roadways for improved connections throughout the County. A new interstate interchange was recently completed located in the north part of the County. This interchange, on the state line shared with Kentucky, is the first exit in Tennessee for southbound travelers on Interstate 65.

A new interstate interchange was completed in November 2019 located in the north part of the County. Exit 121, on the state line shared with Kentucky, is the first exit in Tennessee for southbound travelers on Interstate 65. This new interchange ties into Highway 109 north of Portland. Additionally, the joint project between four governmental entities for the widening and adding of a signal at the intersection of Highway 31W and Highway 52, a main entry to Portland, is also complete. Finally, the proposed Portland bypass route which will tie into Highway 109 at Exit 121 is in the final engineering stages. This Highway 109 corridor is to complete the tie into the northern loop of Interstate 840 around Nashville. These road projects continue to enhance the County's ability to recruit new industry and retail.

In addition, the mainline of CSX Railroad bisects the County, making rail service available for County industries.

The Cumberland River forms the southern border of the County and offers full river barge access to the Gulf of Mexico via the Ohio, Tennessee, and Mississippi Rivers. The U.S. Army Corps of Engineers maintains the channel depth at nine feet and numerous commercial operators use the river.

Commercial air service is accessible at the Nashville International Airport served by fourteen airlines operating 450 daily flights in more than 65 non-stop markets. In the last fiscal year, Nashville International, or BNA, served more than 14.9 million passengers. It is the fourth fastest growing airport among the top 50 airports in North America. It is the 33rd busiest airport in the United States.

General aviation service is available at the Nashville Executive Airport at Sumner County and the Portland Municipal Airport. Portland Municipal Airport maintains a 5,000-foot asphalt runway. The Nashville Executive Airport at Sumner County completed an expansion of its runway to 6,300 feet in 2016. This is one of the longest general aviation runways in Tennessee. Both airports can accommodate most jets and turbo prop planes.

The Nashville Executive Airport at Sumner County provides on-site rental car service, aircraft rental and storage, along with jet and helicopter chartering. There are 11 corporate hangars, 40 T-hangars and 23 port-a-ports. The airport offers Part 61 and Part 141 flight instruction.

HEALTHCARE

Sumner County is home to Sumner Regional Medical Center (SRMC), one of the top-ranked health care facilities in middle Tennessee and the flagship hospital of the healthcare entity, HighPoint Health System. The Joint Commission on Accreditation of Health Care Organizations recognized SRMC as among the top 10% of hospitals in the country. The Tennessee Quality Award Program has presented its Tennessee Quality Commitment Award to SRMC as well.

SRMC is one of the largest non-government employers in the County with over 1,000 employees and 300 physicians and provides quality care in cancer treatment, cardiac care, same-day surgery, orthopedics, diagnostics, women's health, rehabilitation services and more. A 155-bed center, SRMC has all the primary services available. The fully staffed emergency department is equipped to handle most any trauma or cardiac problem. LIFEFLIGHT to Vanderbilt Medical Center in Nashville is provided on the SRMC grounds.

A new 200,000 square foot patient tower added 90 new private rooms featuring wellness design, a new emergency department, a critical care unit, an imaging department and a new women's center.

SRMC expanded in Sumner County by recently completing a new state-of-the-art emergency room at Sumner Station in Gallatin. Offered at the Sumner Station location is adult and pediatric emergency medical services 24 hours a day, 7 days a week, 365 days per year. The location offers on-site diagnostic imaging, an on-site laboratory for instant lab results, and experienced and highly skilled ER physicians and staff. Also at Sumner Station is the Carpenter Cancer Center fully staffed with board certified professionals offering a broad range of resources, support mechanisms and ancillary services to help manage the many components of treatment.

TriStar Hendersonville Medical Center is a 159-bed community hospital about 15 minutes outside of Nashville. The facility is the first Accredited Chest Pain Center in Sumner County, is a Certified Primary Stroke Center and is the only community hospital in the region with an Accredited Joint Center. In addition to its main hospital campus, other affiliates within the County include TriStar Women's Imaging Hendersonville; TriStar Portland Diagnostic Center and the Outpatient Imaging Center at Hendersonville. In January 2014, TriStar Hendersonville opened a free-standing emergency department in Portland as a satellite campus with outpatient imaging and 24/7 emergency services.

TriStar Hendersonville recently opened the only Level II Neonatal Intensive Care Unit (NICU) north of Nashville.

EDUCATION

The Sumner County School System commits to growing learners who are college and career ready through quality instruction, effective use of resources, building a collaborative culture, and strong leadership. Sumner County public schools are governed by the Sumner County Board of Education. The twelve-member group consists of eleven elected representatives from each of the educational districts in the County, as well as the Director of Schools, Del Phillips III. The members serve staggered four-year terms; the Director serves under contract with the Board of Education. The Board conducts monthly meetings that are open to the public.

Sumner County Schools have been operating since 1873. Public education is provided for children in grades pre-kindergarten through twelve in forty-nine schools with a total 2020-2021 enrollment of over 30,000 students. The District is consistently ranked as one of the top academic school districts in the state, and the students and staff are recognized for their classroom and extracurricular achievements at both the state and national levels. The County's students consistently meet or exceed state averages in math, science and language arts. Sumner County students have the 2nd highest average ACT composite score in Tennessee comparing districts with more than 10,000 students.

Sumner County Schools is designated an Advancing School District by the Tennessee State Department of Education. Fourteen Sumner County schools were named Reward Schools by the Tennessee State Department of Education in 2019.

ENROLLMENT HISTORY

SCHOOL YEAR	TOTAL ENROLLMENT
2001-2002	23,019
2002-2003	23,809
2003-2004	24,136
2004-2005	24,629
2005-2006	25,291
2006-2007	26,111
2007-2008	26,241
2008-2009	26,703
2009-2010	27,177
2010-2011	27,414
2011-2012	27,604
2012-2013	28,337
2013-2014	28,155
2014-2015	28,409
2015-2016	28,641
2016-2017	29,060
2017-2018	29,389
2018-2019	29,540
2019-2020	30,123
2020-2021	30,425

Source: Sumner County Board of Education, Communications Office

BREAKDOWN OF SCHOOL TYPE

TYPE OF SCHOOL	# OF SCHOOLS
Elementary	24
STEM Elementary	2
Middle	11
Regular High	7
Virtual High	1
Middle College High	1
Middle Technical College High	1
Academic Magnet (K-12)	1
Alternative/Zero Tolerance	1
TOTAL	49

In 2020, the County's academic magnet school, Merrol Hyde Magnet School, was ranked #3 nationwide in the Top High Schools category and #1 in Tennessee by *U.S. News and World Report*.

The county-wide school system employs over 4,300.

In addition to public schools, there are more than ten private and parochial elementary and secondary educational opportunities for students in the County with a combined enrollment of approximately 1,500.

According to the 2010 census, an estimated 86% of the County's population has attained an educational level at high school graduate or higher. 23% have attained a bachelor's degree or higher.

	% of Population
Less than 9 th Grade	3.0%
9 th -12 th Grade—No Diploma	6.7%
High School Graduate	26.0%
GED/Alternative Credential	5.3%
Some College—No Degree	24.5%
Associate Degree	8.1%
Bachelor's Degree	18.0%
Graduate/Professional Degree	8.5%

Source: ESRI based on 2010 Census

The following universities, colleges and vocational/technical schools are located in the County.

	APPROXIMATE ENROLLMENT
Volunteer State Community College	11,300
Welch College	376
Union University	350
Tennessee College of Applied Technology at Portland	130

Volunteer State Community College is one of the thirteen community colleges in the Tennessee Board of Regents system and has an enrollment of approximately 11,300 students. The two-year college offers more than 100 academic programs in five major divisions. The College is careful to partner with business and industry in the community to ensure workforce training to meet the needs of the County economy. The college prepares Tennesseans to enter the workforce immediately or to continue their academic success at a university. In addition to traditional degree and certificate programs, non-credit continuing education classes, opportunities to serve the community, travel-study and work-based learning are offered.

Volunteer State is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, has eligibility certification by the U.S. Office of Education, and is approved by the State Department of Education for Veterans Education.

In 2016, Volunteer State launched a mechatronics technology associate degree program with a commitment to invest \$2.3 million in building a new lab, equipment and training. The lab was opened in fall of 2019.

Union University is a private four-year liberal arts Christian-based university with its main campus in Jackson, Tennessee. It has an extension campus in Hendersonville. Union University in Hendersonville offers adults in the Nashville area the opportunity to pursue graduate degrees, undergraduate degrees and professional development from a University that is nationally recognized for integrating top-tier academics and Christian faith. Union University Hendersonville offers graduate degrees in Education

and Nursing. Adults who wish to complete an undergraduate degree have several options. Enrollment at the Hendersonville campus is approximately 350 students. In 2010, Union launched the first doctoral program of study offered in Sumner County with the Doctor of Education degree. The University has also paired with the Sumner County Board of Education to provide a Leadership Academy to its educators and administrators. Participants receive professional in-service credit and graduate level credit for completing the program. The University offers a dual enrollment program for Sumner County and home educated high schools seniors as well.

Union has been consistently ranked among the top universities in the South, receiving high rankings by *U.S. News and World Report*, the Princeton Review, and designated as one of four Colleges of Distinction in the state.

Welch College is a private four-year Christian college founded in 1942 by the National Association of Free Will Baptists. The college currently serves 366 students and is the national college of the Free Will Baptist denomination. Welch College moved its campus to Sumner County in 2017 to offer its students a small campus community with all the advantages of a thriving metropolitan area. It is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate, baccalaureate, and masters degrees. The college is also accredited by the Commission on Accreditation of the Association for Biblical Higher Education to grant degrees at the associate, bachelors, and masters levels. The college offers more than 40 four-year degree programs, has a 9:1 student/teacher ratio, and requires its students to provide community service.

Welch College was ranked #17 in *U.S. News and World Report's* Best Value Schools list for 2020. It was ranked #16 in *U.S. News and World Report's* list of best Regional Colleges in the South in 2020.

Vocational training opportunities are also easily accessible through the **Tennessee College of Applied Technology Nashville in Portland**. This is one of twenty-seven colleges of applied technology in the State of Tennessee. It is focused primarily on workforce development. The TCAT campuses are providers of state-of-the-art technical training for workers to obtain the skills and professional training necessary for advancement in the competitive job market. Classes are available in administrative office technology, advanced manufacturing technology, building construction technology, computer information technology, cosmetology, machine tool technology, practical nursing, and welding technology.

The Middle Tennessee Reconnect Community is an 11-county collaborative effort dedicated to supporting the 200,000 adults in the region who attended college but did not receive a degree and are now aspiring to earn their degree. As part of the initiative, all Tennessee adults can attend and earn a diploma or certificate at any of the six Tennessee Colleges of Applied Technology (TCATs) in Middle Tennessee completely free of tuition and fees. The joint effort includes public and private nonprofit higher education institutions; the region's three workforce development boards; and community and employer partners. The goal is to ensure each adult has access to resources necessary to start and finish a college degree. The initiative is supported by a grant from Lumina Foundation and through Tennessee Reconnect, the state's strategy to help adults enter higher education to gain new skills, enter jobs that pay well or advance in their current workplace.

EMERGENCY SERVICES AND PUBLIC SAFETY

The **Sumner County Sheriff** employs 315 full time and 12 part time personnel. Police protection is also provided by the Hendersonville, Gallatin, Goodlettsville, Portland, Westmoreland and White House Police Departments. The Sheriff's Department also staffs the school resource officer (SRO) program. An SRO is a certified law enforcement officer who is assigned full-time to a county school.

Sumner County Emergency Medical Services (EMS) employs approximately 140 administrators and field personnel. Sumner EMS is a past recipient of the Ambulance Service of the Year presented by Tennessee Ambulance Service Association. The County's EMS department was quick to implement hypothermic post-cardiac arrest protocol in conjunction with surrounding county hospitals.

Sumner County Emergency Management Agency (EMA) is responsible for local emergency planning, development of the county-wide emergency operations plan and the county-wide hazard mitigation plan. Sumner EMA's focus is disaster preparedness, with charge of the Emergency Operations Center for operation prior to, during and following major disasters. Sumner EMA operates under TCA Title 58. Day to day operations include water related rescue and recovery, vehicle extrication, search for missing persons, mutual aid to other departments and agencies and plan reviews for health care facilities and special needs facilities. In addition to Sumner EMA staff, over 50 volunteers give of their time including many off-duty career public safety individuals and are on call 24 hours/seven days per week.

The **Sumner County Emergency Communications Center (ECC)** is the primary answering point for all 9-1-1 emergency calls in the County and is responsible for dispatching police, fire and EMS field resources. ECC has greatly improved the efficiency with which emergency calls are managed by routing all County calls through a single point. The telecommunicators handle every call from start to finish. The ECC operates with state-of-the-art equipment, security systems and readiness for the next generation of E-911. The County's ECC is currently used as a model for other Unified/Consolidated Centers in Tennessee by the Municipal Technical Advisory Service and the County Technical Advisory Service in Tennessee. In addition, the County's ECC was recently recognized by the Tennessee Association of County Mayors and the Greater Nashville Regional Council with awards. The ECC employs approximately 50 people.

OLD HICKORY LAKE

Often referred to as "Nashville's North Shore," Sumner County is home to the scenic 22,000 acres of water in Old Hickory Lake. One of Tennessee's best fishing spots, Old Hickory Lake has produced state, national and world-record catches. Some of the world's top professional anglers have tested their skills there in tournaments. The lake draws recreational anglers who catch largemouth and smallmouth bass, crappie, catfish and rockfish, and striped freshwater sea bass.

Old Hickory Lake is the dividing line between Nashville-Davidson County to the south and Sumner County to the north. Although the lake has over 440 total miles of shoreline that touches five counties, Sumner County has by far the most public parks, recreation areas, marinas and homes on Old Hickory of any of the counties.

Because it is such a precious resource, Old Hickory Lake is a closely monitored and managed reservoir that has a constant water level that is well suited for conservation and recreational purposes. Environmental and recreational management is under the auspices of the Tennessee Wildlife Resource Agency. The dam, water levels, navigation channels and shoreline is under the jurisdiction of the U.S. Army Corps of Engineers.

GREATER NASHVILLE REGIONAL COUNCIL PARTICIPATION

The Greater Nashville Regional Council, is an association of local governments representing communities across thirteen counties in Middle Tennessee. Its purpose is to assist those communities and state agencies in the development of plans and programs that ensure the long-term prosperity of the region. The Regional Council provides a powerful forum for community leaders to collaborate and act on issues related to economic growth, community design and development, and the quality of life for its residents.

County Mayor Holt is the Immediate Past President of the Regional Council. The President position is currently held by Mayor Paige Brown of Gallatin, the county seat. The Regional Council develops plans for transportation and economic and community development for the thirteen-county area including the metropolitan planning region for Nashville, Tennessee.

SUMNER COUNTY, TENNESSEE SUMMARY OF OUTSTANDING DEBT¹ (as of December 31, 2020)

ISSUE	DATE OF ISSUANCE	DATE OF MATURITY	INTEREST RATE	PRINCIPAL OUTSTANDING
General Obligation School and Improvement Bonds, Series 2013	6/7/2013	12/1/2023	1.50%-5.00%	\$14,550,000
General Obligation School and Improvement Bonds, Series 2015	4/29/2015	12/1/2035	2.00%-5.00%	55,900,000
General Obligation School and Improvement Bonds, Series 2019	1/31/2019	12/1/2038	2.00%-5.00%	90,355,000
General Obligation School and Improvement Bonds, Series 2020	7/28/2020	12/1/2039	1.75%-5.00%	88,225,000
General Obligation School and Public Improvement Refunding Bonds, Series 2021	Preliminary			63,460,000 *
Total General Obligation Debt				\$312,490,000

Estimated Overlapping Debt as of June 30, 2020

City of Gallatin	\$20,905,000
City of Hendersonville	13,702,720
City of White House (Portion in Sumner County)	1,964,160 ²
City of Goodlettsville (Portion in Sumner County)	818,830 ²
City of Westmoreland	240,369
City of Portland (Portion in Sumner County)	7,839,747 ²
City of Millersville (Portion in Sumner County)	665,570 ²
City of Mitchellville	477,245
Total Overlapping Debt	<u>\$46,613,641</u>
General Obligation and Overlapping Debt	<u>\$359,103,641</u>

* Preliminary.

¹ As of December 31, 2020 and including preliminary Series 2021 Bonds. Excludes bonds being refunded by the Series 2021 Bonds.

² Based on portion of assessed property values in Sumner County.

Sources: Audited Financial Statements and information provided by the County and municipalities within the County.

DEBT RATIOS¹

General Obligation Debt to Assessed Value	5.21%
General Obligation Debt to Estimated Actual Value	1.44%
General Obligation and Overlapping Debt to Estimated Actual Value	1.65%
General Obligation and Overlapping Debt to Assessed Value	5.96%

PER CAPITA RATIOS²

Estimated Actual Value	\$117,470
Assessed Value	\$32,512
General Obligation Debt	\$1,695
General Obligation Debt and Overlapping Debt	\$1,939

¹ Assessed and Estimated Actual Values for Tax Year 2019 (Fiscal Year 2020) obtained from County staff.

² 2019 US Census Bureau population estimate

DEBT TREND For Fiscal Years Ending

	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Bonds	<u>\$126,410,000</u>	<u>\$184,915,000</u>	<u>\$171,995,000</u>	<u>\$158,010,000</u>	<u>\$139,010,000</u>	<u>\$223,650,000</u>	<u>\$205,925,000</u>
TOTAL DEBT	<u>\$126,410,000</u>	<u>\$184,915,000</u>	<u>\$171,995,000</u>	<u>\$158,010,000</u>	<u>\$139,010,000</u>	<u>\$223,650,000</u>	<u>\$205,925,000</u>

Source: Audited Financial Statements compiled by The Comptroller of the Treasury, Division of County Audit, Nashville, Tennessee

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SUMNER COUNTY, TENNESSEE
Current and Proposed Debt Service Requirements
(as of June 30, 2020 and including PRELIMINARY Series 2021)

FY	GO Refunding Bonds, Series 2011 ¹			GO School and Public Improvement Bonds, Series 2013			GO School and Public Improvement Bonds, Series 2015			GO School and Public Improvement Bonds, Series 2019			GO School and Public Improvement Bonds, Series 2020			PRELIMINARY GO School and Public Improvement Refunding Bonds, Series 2021			Total Current and Proposed Debt Service		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2021	\$11,760,000	\$1,834,400	\$13,594,400	\$2,220,000	\$537,000	\$2,757,000	\$2,620,000	\$2,093,706	\$4,713,706	\$3,240,000	\$3,678,931	\$6,918,931	\$2,950,000	\$2,579,883	\$5,529,883				\$22,790,000	\$10,723,920	\$33,513,920
2022				2,250,000	425,250	2,675,250	2,745,000	1,959,581	4,704,581	3,405,000	3,512,806	6,917,806	3,070,000	2,928,581	5,998,581	14,805,000	1,284,557	16,089,557	26,275,000	10,110,776	36,385,776
2023				2,300,000	334,500	2,634,500	2,875,000	1,819,081	4,694,081	3,525,000	3,392,431	6,917,431	3,230,000	2,771,081	6,001,081	15,095,000	1,006,240	16,101,240	27,025,000	9,323,334	36,348,334
2024				10,000,000	150,000	10,150,000	3,010,000	1,671,956	4,681,956	3,655,000	3,265,806	6,920,806	3,395,000	2,605,456	6,000,456	2,310,000	764,720	3,074,720	22,370,000	8,457,939	30,827,939
2025							3,155,000	1,517,831	4,672,831	3,840,000	3,078,431	6,918,431	3,565,000	2,431,456	5,996,456	2,350,000	727,760	3,077,760	12,910,000	7,755,479	20,665,479
2026							3,310,000	1,356,206	4,666,206	4,040,000	2,881,431	6,921,431	3,750,000	2,248,581	5,998,581	2,385,000	690,160	3,075,160	13,485,000	7,176,379	20,661,379
2027							3,470,000	1,221,406	4,691,406	4,245,000	2,674,306	6,919,306	3,945,000	2,056,206	6,001,206	2,425,000	652,000	3,077,000	14,085,000	6,603,919	20,688,919
2028							3,635,000	1,114,831	4,749,831	4,465,000	2,456,556	6,921,556	4,145,000	1,853,956	5,998,956	2,465,000	613,200	3,078,200	14,710,000	6,038,544	20,748,544
2029							3,775,000	984,806	4,759,806	4,690,000	2,227,681	6,917,681	4,355,000	1,641,456	5,996,456	2,505,000	573,760	3,078,760	15,325,000	5,427,704	20,752,704
2030							3,885,000	851,031	4,736,031	4,935,000	1,987,056	6,922,056	4,580,000	1,418,081	5,998,081	2,545,000	533,680	3,078,680	15,945,000	4,789,849	20,734,849
2031							4,005,000	732,681	4,737,681	5,185,000	1,734,056	6,919,056	4,790,000	1,207,781	5,997,781	2,585,000	492,960	3,077,960	16,565,000	4,167,479	20,732,479
2032							4,130,000	610,656	4,740,656	5,395,000	1,523,506	6,918,506	4,985,000	1,012,281	5,997,281	2,625,000	451,600	3,076,600	17,135,000	3,598,044	20,733,044
2033							4,260,000	484,806	4,744,806	5,560,000	1,359,181	6,919,181	5,165,000	835,106	6,000,106	2,665,000	409,600	3,074,600	17,650,000	3,088,694	20,738,694
2034							4,400,000	354,906	4,754,906	5,735,000	1,186,172	6,921,172	5,290,000	711,344	6,001,344	2,710,000	366,960	3,076,960	18,135,000	2,619,382	20,754,382
2035							4,545,000	217,891	4,762,891	5,920,000	1,000,363	6,920,363	5,390,000	611,156	6,001,156	2,755,000	323,600	3,078,600	18,610,000	2,153,009	20,763,009
2036							4,700,000	73,438	4,773,438	6,115,000	804,794	6,919,794	5,495,000	502,306	5,997,306	2,795,000	279,520	3,074,520	19,105,000	1,660,058	20,765,058
2037										6,320,000	598,775	6,918,775	5,605,000	394,809	5,999,809	2,840,000	234,800	3,074,800	14,765,000	1,228,384	15,993,384
2038										6,540,000	381,763	6,921,763	5,710,000	288,731	5,998,731	2,890,000	189,360	3,079,360	15,140,000	859,854	15,999,854
2039										6,785,000	135,700	6,920,700	5,820,000	177,000	5,997,000	2,935,000	143,120	3,078,120	15,540,000	455,820	15,995,820
2040													5,940,000	59,400	5,999,400	2,980,000	96,160	3,076,160	8,920,000	155,560	9,075,560
2041																			3,030,000	48,480	3,078,480
Total	<u>\$11,760,000</u>	<u>\$1,834,400</u>	<u>\$13,594,400</u>	<u>\$16,770,000</u>	<u>\$1,446,750</u>	<u>\$18,216,750</u>	<u>\$58,520,000</u>	<u>\$17,064,816</u>	<u>\$75,584,816</u>	<u>\$93,595,000</u>	<u>\$37,879,747</u>	<u>\$131,474,747</u>	<u>\$91,175,000</u>	<u>\$28,334,655</u>	<u>\$119,509,655</u>	<u>\$77,695,000</u>	<u>\$9,882,237</u>	<u>\$87,577,237</u>	<u>\$349,515,000</u>	<u>\$96,442,605</u>	<u>\$445,957,605</u>

¹ Does not include portion of the bonds being refunded by Series 2021 Bonds.

FISCAL YEAR

The fiscal year is from July 1 through June 30 of each year.

ACCOUNTING

The County's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. For complete information regarding basis of accounting, see the Annual Financial Report of the County for Fiscal Year Ended June 30, 2020 in Appendix C herein.

Sumner County reports the following major governmental funds:

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

Highway/Public Works Fund—This special revenue fund accounts for transactions of the County's Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

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.

General Capital Projects Fund—This fund accounts for general capital expenditures of the County and the Sumner County School Department.

The Sumner County School Department maintains two individual governmental funds:

General Purpose School Fund—This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

School Federal Projects Fund—This fund accounts for restricted federal revenues, which must be expended for specific education programs.

FUND BALANCES HISTORY

	HISTORY OF FUND BALANCES							
	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
GOVERNMENTAL FUNDS								
General Government Fund	\$26,914,864	\$26,535,578	\$26,437,454	\$29,140,148	\$31,226,523	\$32,344,184	\$33,280,244	\$36,653,201
Special Revenue Highway/Public Works Fund	2,425,953	2,744,499	3,463,881	2,279,414	1,707,313	1,203,976	1,263,929	1,039,372
General Debt Service Fund	11,588,151	13,816,758	16,799,803	21,764,376	25,571,340	23,684,584	20,240,770	21,466,189
General Capital Projects Fund	34,526,400	27,584,261	76,715,235	52,182,601	28,899,543	22,382,527	125,143,984	112,455,814
Total County Governmental Funds	\$75,455,368	\$70,681,096	\$123,416,373	\$105,366,539	\$87,404,719	\$79,615,271	\$179,928,927	\$171,614,576
General Purpose School Fund ¹	21,371,674	27,661,816	30,389,563	31,059,033	39,411,792	48,043,090	53,827,261	64,207,031
Total County and School Department Governmental Funds	\$96,827,042	\$98,342,912	\$153,805,936	\$136,425,572	\$126,816,511	\$127,658,361	\$233,756,188	\$235,821,607

¹ Major governmental fund reported by the Sumner County School Department. Included in this fund balance are amounts associated with the County's School Special Revenue Fund which accounts for restricted federal revenues, which must be expended on specific education programs.

GENERAL FUND HISTORY

The General Fund is the County's primary operating fund. The table below depicts the revenues, expenditures and changes in fund balance for the County's General Fund for fiscal years 2013 through 2020.

	GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE							
	2013	2014	2015	2016	2017	2018	2019	2020
REVENUE AND OTHER SOURCES								
Local Taxes	\$21,702,464	\$22,332,361	\$26,060,900	\$27,201,023	\$28,552,353	\$30,056,744	\$30,263,740	\$34,432,849
Licenses and Permits	529,487	829,782	669,419	882,767	1,001,044	1,040,393	1,070,997	1,144,305
Fines and Forfeitures	721,183	752,428	778,202	728,805	675,914	698,401	615,071	558,934
Charges for Current Services	6,021,612	6,323,622	6,994,995	6,600,789	7,179,633	7,831,601	8,257,827	8,297,348
Other Local Revenues	840,911	843,053	797,221	796,646	787,798	2,340,118	3,247,812	3,225,770
Fees Received from County Officials	7,617,741	7,542,876	8,054,668	8,872,568	9,577,462	9,913,902	9,616,043	10,374,242
State of Tennessee	6,441,220	7,414,572	7,363,215	7,717,004	6,974,663	7,876,121	7,724,391	8,865,374
Federal Government	1,399,617	971,581	321,728	475,466	358,080	340,776	308,671	692,190
Other Governments and Citizens Groups	235,830	171,236	417,156	340,390	650,771	556,811	349,753	332,792
Insurance Recovery	42,474	188,219	5,200	0	317	8,602	15,168	6,423
Operating Transfers	128,888	317,084	0	0	0	0	0	0
Total Revenues and Other Sources	<u>\$45,681,427</u>	<u>\$47,686,814</u>	<u>\$51,462,704</u>	<u>\$53,615,458</u>	<u>\$55,758,035</u>	<u>\$60,663,469</u>	<u>\$61,469,473</u>	<u>\$67,930,227</u>
EXPENDITURES AND OTHER USES								
General Government	\$43,968,739	\$48,066,100	\$48,560,828	\$50,912,764	\$53,671,660	\$59,545,808	\$60,533,413	\$64,557,270
Operating Transfers	6,000,000	0	3,000,000	0	0	0	0	0
Total Expenditures and Other Uses	<u>\$49,968,739</u>	<u>\$48,066,100</u>	<u>\$51,560,828</u>	<u>\$50,912,764</u>	<u>\$53,671,660</u>	<u>\$59,545,808</u>	<u>\$60,533,413</u>	<u>\$64,557,270</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(\$4,287,312)	(\$379,286)	(\$98,124)	\$2,702,694	\$2,086,375	\$1,117,661	\$936,060	\$3,372,957
BEGINNING FUND BALANCE	<u>\$31,202,176</u>	<u>\$26,914,864</u>	<u>\$26,535,578</u>	<u>\$26,437,454</u>	<u>\$29,140,148</u>	<u>\$31,226,523</u>	<u>\$32,344,184</u>	<u>\$33,280,244</u>
ENDING FUND BALANCE	<u>\$26,914,864</u>	<u>\$26,535,578</u>	<u>\$26,437,454</u>	<u>\$29,140,148</u>	<u>\$31,226,523</u>	<u>\$32,344,184</u>	<u>\$33,280,244</u>	<u>\$36,653,201</u>

Source: Audited Financial Statements compiled by the Comptroller of the Treasury, Division of County Audit, Nashville, Tennessee.

DEBT SERVICE FUND HISTORY

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the County. The table below depicts revenues, expenditures and changes in fund balance for the County's Debt Service Fund for fiscal years 2013 through 2020.

	DEBT SERVICE FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE							
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUE AND OTHER SOURCES								
Local Taxes	\$14,908,020	\$18,431,561	\$24,264,933	\$25,451,664	\$27,057,925	\$17,786,174 ¹	\$14,082,333 ¹	\$29,712,226 ¹
Other Local Revenues	125,126	250,077	285,779	550,624	958,043	1,598,893	3,751,710	
Other Governments and Citizens Groups	50,262	52,656	54,062	36,433	8,437	8,437	11,183	37,022
Total Revenues and Other Sources	<u>\$15,083,408</u>	<u>\$18,734,294</u>	<u>\$24,604,774</u>	<u>\$26,038,721</u>	<u>\$28,024,405</u>	<u>\$19,393,504</u>	<u>\$17,845,226</u>	<u>\$29,749,248</u>
EXPENDITURES AND OTHER USES								
Debt Service	\$13,855,535	\$16,505,687	\$16,683,903	\$21,074,148	\$21,417,441	\$21,280,260	\$21,289,040	\$28,523,829
Operating Transfers	0	0	4,937,826	0	2,800,000	0	0	0
Total Expenditures and Other Uses	<u>\$13,855,535</u>	<u>\$16,505,687</u>	<u>\$21,621,729</u>	<u>\$21,074,148</u>	<u>\$24,217,441</u>	<u>\$21,280,260</u>	<u>\$21,289,040</u>	<u>\$28,523,829</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$1,227,873	\$2,228,607	\$2,983,045	\$4,964,573	\$3,806,964	(\$1,886,756)	(\$3,443,814)	\$1,225,419
BEGINNING FUND BALANCE	\$10,360,278	\$11,588,151	\$13,816,758	\$16,799,803	\$21,764,376	\$25,571,340	\$23,684,584	\$20,240,770
PRIOR PERIOD ADJUSTMENT	0							
ENDING FUND BALANCE	<u>\$11,588,151</u>	<u>\$13,816,758</u>	<u>\$16,799,803</u>	<u>\$21,764,376</u>	<u>\$25,571,340</u>	<u>\$23,684,584</u>	<u>\$20,240,770</u>	<u>\$21,466,189</u>

Source: Audited Financial Statements prepared by The Comptroller of the Treasury, Division of County Audit, Nashville, Tennessee.

¹ Funds were reallocated from property taxes to the capital projects fund for direct capital purchases, construction and renovations. Policy limits fund balance in Debt Service Fund to less than 13 months' principal and interest requirements.

SCHOOL FUND HISTORY

The General Purpose School Fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department. The table below depicts revenues, expenditures and changes in fund balance for the County's School Fund for fiscal years 2013 through 2020. Also included in these figures are amounts associated with the County's School Special Revenue Fund which accounts for restricted federal revenues, which must be expended on specific education programs. The figures presented below include both funds. For detailed schedules, please see Exhibit J-4, page 160 of the County's FY2020 Audited Financial Statements included as Appendix C.

SCHOOL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUE AND OTHER SOURCES								
Local Taxes	\$67,897,395	\$70,687,093	\$80,118,039	\$82,893,046	\$85,642,593	\$89,108,208	\$90,693,969	\$107,173,686
Licenses and Permits	7,985	8,127	7,652	7,935	8,332	8,512	7,919	7,151
Charges for Current Services	7,638,558	7,450,182	7,101,758	7,751,189	8,154,044	7,801,284	8,763,080	6,934,893
Other Local Revenues	1,257,815	1,173,691	779,565	1,000,905	1,738,599	1,255,892	1,166,277	1,287,146
State of Tennessee	120,966,368	125,904,707	124,533,779	128,075,478	138,286,563	144,638,478	151,406,952	155,309,746
Federal Government	19,650,332	19,925,499	21,129,924	18,541,330	19,789,276	18,734,589	20,679,751	20,870,162
Other Governments and Citizens Groups	0	0	0	0	0	0	0	0
Insurance Recovery	0	20,170	113,478	17,454	1,340	6,673	1,664	188
Capital Leases Issued	0	0	0	0	0	0	0	0
Operating Transfers	57,063	250,169	91,071	98,949	109,058	112,938	415,887	141,691
Total Revenues and Other Sources	<u>\$217,475,516</u>	<u>\$225,419,638</u>	<u>\$233,875,266</u>	<u>\$238,386,286</u>	<u>\$253,729,805</u>	<u>\$261,666,574</u>	<u>\$273,135,499</u>	<u>\$291,724,663</u>
EXPENDITURES AND OTHER USES								
Current:								
Instruction	\$133,773,304	\$135,414,866	\$143,812,565	\$148,606,695	\$151,533,740	\$155,019,519	\$163,808,272	\$172,550,296
Support Services	65,778,651	69,612,014	71,972,932	73,879,745	76,842,154	80,545,339	85,559,992	89,679,091
Operation of Non-Instructional Services	14,083,980	13,464,384	14,675,591	14,464,120	15,451,994	15,592,904	15,886,690	15,973,091
Capital Outlay	163,070	389,804	262,564	352,140	1,152,929	1,477,405	1,393,317	3,000,724
Debt Service:								
Principal	36,869	0	0	0	0	0	0	0
Interest	8,756	0	0	0	0	0	0	0
Other Debt Service	2	45,627	45,625	27,996	0	0	0	0
Operating Transfers	57,063	250,169	378,242	386,120	396,229	400,109	703,057	141,691
Total Expenditures and Other Uses	<u>\$213,901,695</u>	<u>\$219,176,864</u>	<u>\$231,147,519</u>	<u>\$237,716,816</u>	<u>\$245,377,046</u>	<u>\$253,035,276</u>	<u>\$267,351,328</u>	<u>\$281,344,893</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES								
	\$3,573,821	\$6,242,774	\$2,727,747	\$669,470	\$8,352,759	\$8,631,298	\$5,784,171	\$10,379,770
BEGINNING FUND BALANCE	<u>\$17,797,853</u>	<u>\$21,419,042</u>	<u>\$27,661,816</u>	<u>\$30,389,563</u>	<u>\$31,059,033</u>	<u>\$39,411,792</u>	<u>\$48,043,090</u>	<u>\$53,827,261</u>
ENDING FUND BALANCE	<u>\$21,371,674</u>	<u>\$27,661,816</u>	<u>\$30,389,563</u>	<u>\$31,059,033</u>	<u>\$39,411,792</u>	<u>\$48,043,090</u>	<u>\$53,827,261</u>	<u>\$64,207,031</u>

Source: Audited Financial Statements prepared by the Comptroller of the Treasury, Division of County Audit, Nashville, Tennessee.

HIGHWAY/PUBLIC WORKS FUND HISTORY

This special revenue fund accounts for transactions of the County's Highway Department. Local and state gasoline/fuel taxes are the foundations revenues of this fund. The table below depicts revenues, expenditures and changes in fund balance for the County's Highway/Public Works Fund for fiscal years 2013 through 2020.

	HIGHWAY/PUBLIC WORKS FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE							
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUE AND OTHER SOURCES								
Local Taxes	\$2,628,262	\$2,753,563	\$2,845,772	\$2,855,272	\$2,949,022	\$3,034,449	\$3,072,547	\$3,206,585
Licenses and Permits	0	0	100	1,100	1,100	500	1,400	29,100
Other Local Revenues	223,692	200,671	98,336	147,363	85,063	109,291	71,493	147,481
State of Tennessee	3,271,044	3,314,812	3,313,398	3,406,430	3,798,926	4,144,198	4,830,991	4,685,084
Federal Government	293,510	76,205	0	0	0	0	0	2,221
Insurance Recovery	12,306	1,688	1,229	0	536	2,389	19,196	3,000
Other Governments and Citizens Groups	<u>291,215</u>	<u>89,054</u>	<u>832,327</u>	<u>221,001</u>	<u>148,228</u>	<u>264,108</u>	<u>240,530</u>	<u>284,100</u>
Total Revenues and Other Sources	<u>\$6,720,029</u>	<u>\$6,435,993</u>	<u>\$7,091,162</u>	<u>\$6,631,166</u>	<u>\$6,982,875</u>	<u>\$7,554,935</u>	<u>\$8,236,157</u>	<u>\$8,357,571</u>
EXPENDITURES AND OTHER USES								
Administration	\$183,530	\$195,005	\$194,351	\$204,764	\$198,817	\$223,371	\$233,911	\$301,899
Highway and Bridge Maintenance	3,862,000	3,589,292	3,577,479	4,729,679	4,499,746	4,806,004	4,729,028	4,991,076
Operation and Maintenance of Equipment	1,060,580	1,037,710	904,177	801,025	936,819	970,772	981,145	886,446
Quarry Operations	18,524	20,921	42,006	23,303	27,850	9,296	30,536	21,169
Litter and Trash Collection	72,455	61,766	68,278	64,251	52,349	71,934	68,705	76,858
Other Charges	254,505	282,560	326,287	396,456	394,856	446,777	480,604	535,236
Employee Benefits	794,703	842,065	905,611	988,020	1,074,343	1,064,526	1,131,441	1,245,410
Capital Outlay	<u>216,655</u>	<u>88,128</u>	<u>353,591</u>	<u>608,145</u>	<u>370,196</u>	<u>465,592</u>	<u>520,834</u>	<u>524,034</u>
Total Expenditures and Other Uses	<u>\$6,462,952</u>	<u>\$6,117,447</u>	<u>\$6,371,780</u>	<u>\$7,815,643</u>	<u>\$7,554,976</u>	<u>\$8,058,272</u>	<u>\$8,176,204</u>	<u>\$8,582,128</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$257,077	\$318,546	\$719,382	(\$1,184,477)	(\$572,101)	(\$503,337)	\$59,953	(\$224,557)
BEGINNING FUND BALANCE	\$2,168,876	\$2,425,953	\$2,744,499	\$3,463,881	\$2,279,474	\$1,707,313	\$1,203,976	\$1,263,929
PRIOR PERIOD ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
ENDING FUND BALANCE	<u>\$2,425,953</u>	<u>\$2,744,499</u>	<u>\$3,463,881</u>	<u>\$2,279,404</u>	<u>\$1,707,373</u>	<u>\$1,203,976</u>	<u>\$1,263,929</u>	<u>\$1,039,372</u>

Source: Audited Financial Statements prepared by The Comptroller of the Treasury, Division of County Audit, Nashville, Tennessee.

BUDGETARY PROCESS

The County Commission approves the operating budget for the fiscal year commencing on July 1. The annual budget serves from July 1 to the following June 30 and is a vehicle that accurately and openly communicates priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustments of the County's performance. Through the budget, the County Commission sets the direction of the County, allocates its resources and establishes priorities. The annual budget assures the efficient uses of the County's economic resources, as well as establishing that the highest priority objectives are accomplished.

The budget is legally enacted through the passage of an ordinance that also sets the tax rate.

The amounts in the adopted budgets for each fund constitute its total annual appropriation, and no expenditure may be made that will result in the annual appropriation for the fund being exceeded, unless an additional appropriation is made.

All appropriations in the current operating budget lapse into fund balance of the respective funds at the end of the fiscal year.

Budgetary control has been established 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. Financial reports are produced showing budget and actual expenditures by program or department and are distributed monthly to the County Commission. The departments may produce these reports at anytime, and the departments always have access to financial information relating to their operations. Individual departments are reviewed and analyzed for budgetary compliance and for unusual deviations from expected normal expenditure pattern. Within each department, emphasis is placed on the bottom-line budget total. Department heads have discretion within the total budget for their department and can move funds within their departments with approval from the Budget Committee. Revenues are reviewed monthly and compared to expected rates of collections, and unusual revenue patterns are analyzed for changes in trends or possible unfavorable variances from budgeted amounts.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees fund (special revenue fund), which is not budgeted. All annual appropriations lapse at fiscal year-end.

The County's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgetary expenditures.

Fiscal Year 2021 Budget

County administration adopted a budget exclusive of the school department component unit for the 2021 fiscal year which anticipates a 5.1% decline in County revenues primarily because of the COVID-19 outbreak. This includes a projected 6.2% decline in budgeted sales tax revenues and a 43.5% estimated reduction in budgeted hotel-motel tax revenues in the upcoming fiscal year. Given the uncertainty as to when businesses, including tourism-related businesses, will be able to be fully operational, these projected declines may or may not reflect actual results. When budgeting for the 2021 fiscal year,

County administration proposed specific cost reduction measures expected to offset projected revenue loss due to the COVID-19 outbreak.

The County has received and expects to receive additional State and/or Federal assistance to offset the costs of addressing the COVID-19 outbreak. The County has not yet been fully informed of the timing or amount of all assistance that may be provided, nor does the County know the exact scope of expenses that will be payable from such assistance. Therefore, the County cannot provide assurances as to what level the projected decline in tax revenues will be mitigated by such assistance. At a minimum, Sumner County has been awarded a Governor's Local Government Support Grant for \$2,446,959, which can be utilized for offsetting the loss of local revenue or supplementing local revenues, if needed. These funds will be available on July 31, 2020. The County's 2021 budget does not include the Governor's Local Government Support Grant nor any other assistance as a source of revenue to provide for a balanced budget. It does, however, include \$245,802 of Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") funds for additional costs related to elections during the pandemic. The County received total CARES Act funds of \$3,085,283 in fiscal year 2021 of which \$245,802 was for the additional costs related to elections during the pandemic.

See "COVID-19 Pandemic" on page 9 herein for more information.

PROPERTY VALUATION AND PROPERTY TAX INFORMATION

The County's property tax is levied each October 1st on the assessed value as of the prior January 1st for all real and personal property within the County's legal boundaries. Taxes become delinquent and begin accumulating interest and penalty the following March 1.

Assessed values are established by the State of Tennessee at the following rates of assessed market value:

Industrial and Commercial Property	
Real	40%
Personal	30%
Residential and Farm Property	25%
Public Utility Property	55%

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PROPERTY VALUATION AND PROPERTY TAX INFORMATION

Fiscal Year Tax Year	2011-2012 2011	2012-2013 2012	2013-2014 2013	2014-2015 2014 (Re-evaluation)	2015-2016 2015	2016-2017 2016	2017-2018 2017	2018-2019 2018	2019-2020 2019 (Re-evaluation)	2020-2021 2020
Sumner County Estimated Actual Values										
Residential & Farm	\$11,340,475,300	\$11,458,515,336	\$11,602,248,436	\$11,405,069,876	\$11,631,825,720	\$13,043,694,821	\$13,442,110,694	\$16,143,349,924	\$17,921,270,432	\$17,518,486,268
Commercial & Industrial	2,482,943,400	2,470,110,675	2,456,061,600	2,430,954,755	2,470,916,960	2,767,877,192	2,810,844,001	3,314,293,965	3,275,295,605	3,929,008,580
Personal Tangible Property	611,695,700	626,208,400	666,314,817	738,585,820	799,092,537	908,204,861	893,140,634	873,078,733	932,204,273	963,189,847
Public Utilities	258,278,406	273,865,703	279,384,543	290,696,126	309,932,474	294,193,817	289,445,828	257,433,608	341,200,101	341,200,101
Total Estimated Actual Values	\$14,693,392,806	\$14,828,700,114	\$15,004,009,396	\$14,865,306,577	\$15,211,767,691	\$17,013,970,691	\$17,435,541,157	\$20,588,156,230	\$22,469,970,411	\$22,751,884,796
Sumner County Assessed Values										
Residential & Farm (at 25%)	\$2,835,118,825	\$2,864,628,834	\$2,897,562,109	\$2,851,267,469	\$2,907,956,430	\$2,989,614,853	\$3,080,931,771	\$3,193,154,615	\$4,480,317,608	\$4,379,621,567
Commercial & Industrial (at 40%)	993,177,360	988,044,270	982,424,640	972,381,902	988,366,784	1,015,035,924	1,030,792,712	1,048,907,754	1,310,118,242	1,571,603,432
Personal Tangible Property (at 30%)	183,508,710	187,862,520	199,894,445	221,575,746	239,727,761	249,792,665	245,649,400	207,233,968	279,661,282	288,956,954
Public Utilities (at 30%-55%)	112,739,370	120,062,919	122,041,747	126,888,859	135,285,525	128,415,601	126,343,104	112,369,770	148,933,844	148,933,996 *
Total Assessed Values	\$4,124,544,265	\$4,160,598,543	\$4,201,922,941	\$4,172,113,976	\$4,271,336,500	\$4,382,859,043	\$4,483,716,987	\$4,561,666,107	\$6,219,030,976	\$6,389,115,949
 Sumner County Appraisal Ratio	 100.00%	 100.00%	 100.00%	 100.00%	 100.00%	 91.68%	 91.68%	 79.12%	 100.00%	 100.00%

Source: State Board of Equalization, 2010-2019 Tax Aggregate Reports of Tennessee and County staff

*estimated based on prior year's appraisal

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TAX RATES, LEVIES AND COLLECTIONS

TAX RATES, ASSESSMENTS, LEVIES AND COLLECTIONS TEN YEAR SUMMARY

FISCAL YEAR	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
TAX YEAR	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund	0.4413	0.4513	0.4513	0.5511	0.5535
General Purpose School Fund	1.2031	1.2131	1.2131	1.4539	1.4539
General Capital Projects Fund	0.1830	0.1830	0.1196	0.1235	0.1235
General Debt Service Fund	0.1766	0.1566	0.2200	0.3542	0.3542
Highway Fund	<u>0.0168</u>	<u>0.0168</u>	<u>0.0168</u>	<u>0.0173</u>	<u>0.0149</u>
Total Tax Rate	\$2.0208	\$2.0208	\$2.0208	\$2.5000	\$2.5000
Assessed Valuation					
Real and Personal Property	\$4,011,808,994	\$4,043,058,064	\$4,079,881,194	\$4,045,225,117	\$4,136,050,975
Public Utilities	<u>112,735,271</u>	<u>117,540,479</u>	<u>121,951,353</u>	<u>126,888,859</u>	<u>135,285,525</u>
Total Assessed Valuation	<u>\$4,124,544,265</u>	<u>\$4,160,598,543</u>	<u>\$4,201,832,547</u>	<u>\$4,172,113,976</u>	<u>\$4,271,336,500</u>
Total Tax Levy^	\$83,286,772	\$83,966,696	\$84,983,187	\$104,019,514	\$106,672,423
Total Collections	\$83,198,717	\$83,867,807	\$84,874,371	\$103,894,879	\$106,531,270
Percent Collected	99.89%	99.88%	99.87%	99.88%	99.87%

^Total tax levy at the time it was filed with chancery court; except for the 2020-2021 fiscal year which reflects the amount on file with the County Trustee.

TAX RATES, ASSESSMENTS, LEVIES AND COLLECTIONS TEN YEAR SUMMARY *continued*

FISCAL YEAR	2016-2017	2017-2018	2018-2019	2019-2020	<i>unaudited</i> 2020-2021
TAX YEAR	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund	0.5535	0.5535	0.5535	0.4787	0.4787
General Purpose School Fund	1.4539	1.4539	1.4539	1.3250	1.3250
General Capital Projects Fund	0.1235	0.3601	0.4477	0.1674	0.1124
General Debt Service Fund	0.3542	0.1176	0.0300	0.2786	0.3336
Highway/Public Works Fund	<u>0.0149</u>	<u>0.0149</u>	<u>0.0149</u>	<u>0.0123</u>	<u>0.0123</u>
Total Tax Rate	\$2.5000	\$2.5000	\$2.5000	\$2.2620	\$2.2620
Assessed Valuation					
Real and Personal Property	\$4,254,443,442	\$4,357,373,883	\$4,449,296,337	\$6,070,097,132	\$6,240,181,953
Public Utilities	<u>128,415,601</u>	<u>126,343,104</u>	<u>112,369,770</u>	<u>148,933,844</u>	<u>148,933,996 *</u>
Total Assessed Valuation	<u>\$4,382,859,043</u>	<u>\$4,483,716,987</u>	<u>\$4,561,666,107</u>	<u>\$6,219,030,976</u>	<u>\$6,389,115,949</u>
Total Tax Levy^	\$109,017,484	\$112,183,972	\$114,343,934	\$140,248,468	\$144,273,561
Total Collections	\$108,828,382	\$111,889,562	\$113,970,270	\$139,091,880	\$138,731,069
Percent Collected	99.83%	99.74%	99.67%	99.18%	96.16%

^Total tax levy at the time it was filed with chancery court; except for the 2020-2021 fiscal year which reflects the amount on file with the County Trustee.

Source: County Finance Department

*estimated based on prior year's appraisal

Sumner County conducts a reappraisal of taxable property every fifth year to update and equalize the values of all taxable properties in the County. The County completed a reappraisal process in 2019. The reappraisal resulted in an approximately 9.14% increase in property valuations. Upon completion of a reappraisal, a county is required to calculate a certified tax rate which is revenue neutral. For Sumner County, the significant increase in property values resulted in a reduction of the prior tax rate of \$2.5000 per \$100 of assessed values down to a new certified tax rate of \$1.9284 per \$100 of assessed values. The County Commission subsequently adopted a tax rate of \$2.2620 for fiscal year 2019-2020 reflecting the certified tax rate plus inflation since the last county-wide reappraisal and funding for school and public improvement projects.

The ten largest taxpayers in the County for Tax Year 2019 are as follows:

PRINCIPAL TAXPAYERS EXCLUDING UTILITIES						
RANK	TAXPAYER	BUSINESS TYPE	ASSESSED VALUE	PERCENT OF TOTAL ASSESSED VALUE	AMOUNT OF TAXES	PERCENT OF ADJUSTED TAX LEVY
1	Sumner Regional Medical Center	Hospital/Healthcare	\$34,583,682	0.56%	\$1,083,422	0.77%
2	Unipres USA	Pressed Metal Parts	111,964,548	1.80%	759,791	0.54%
3	Gap Inc	Retail Distribution	58,937,816	0.95%	732,993	0.52%
4	Hendersonville Hospital Corp. (HCA)	Hospital/Healthcare	31,021,940	0.50%	443,656	0.32%
5	Stoneridge Farms Hunt Club LLC	Apartments	15,213,920	0.24%	344,139	0.25%
6	Revere at Hidden Creek, LLC	Apartments	14,902,920	0.24%	337,104	0.24%
7	Wellington Farms	Apartments	14,857,160	0.24%	336,069	0.24%
8	Glenbrook Apartments GP	Apartments	14,134,120	0.23%	319,714	0.23%
9	Clayton Properties Group Inc	Apartments	14,112,515	0.23%	315,657	0.22%
10	Hoeganeas Corporation	Powdered Metal	45,999,383	0.74%	312,152	0.22%
			\$355,728,004	5.72%	\$4,984,697	3.55%

TOP UTILITY TAXPAYERS				
RANK	TAXPAYER	BUSINESS TYPE	AMOUNT OF TAXES	PERCENT OF ADJUSTED TAX LEVY
1	Cumberland Electric Membership Corp.	Electric Utility	\$817,131	0.58%
2	Tennessee Gas Pipeline Company	Natural Gas Utility	517,132	0.37%
3	Midwestern Gas Transmission Company	Natural Gas Utility	505,584	0.36%
4	Piedmont Natural Gas Company, Inc.	Natural Gas Utility	315,657	0.22%
5	Bellsouth Telecommunications, LLC	Telephone Utility	287,057	0.20%
			\$2,442,561	1.74%

Source: Office of County Property Assessor and County Trustee

ADEQUATE FACILITIES TAXES

By Private Act of the Tennessee General Assembly, Sumner County implemented a privilege tax on new development effective July 1, 1999. The tax imposed is \$0.70 per gross square foot of floor area of new residential development and \$0.40 per gross square foot of floor area of new industrial development. Proceeds from the tax levied are required to be applied to capital projects and/ or the related debt service for new school construction for projects situated generally in the areas of growth due to the construction of dwelling units in such areas.

The following table shows the collections since July 1, 2001 for the fiscal years listed. The full amount is allocated to debt service for school projects.

<u>FISCAL YEAR</u>	<u>ADEQUATE FACILITIES TAXES COLLECTED</u>
2002	\$2,182,269
2003	1,997,821
2004	1,961,955
2005	3,010,745
2006	3,194,177
2007	3,129,410
2008	1,637,914
2009	1,244,582
2010	929,332
2011	945,192
2012	1,065,258
2013	1,609,703
2014	1,959,751
2015	2,068,990
2016	2,268,440
2017	3,034,709
2018	2,974,895
2019	2,845,435
2020	2,582,347

Source: Sumner County Finance

COUNTY LOCAL OPTION SALES TAXES

Counties may levy a sales tax on the same privileges subject to the state sales tax. The required distribution of the county local option sales tax revenues (regardless of the location of the sales) is 50% to education purposes and 50% to the location where the sale occurred.

The current local option sales tax rate in the County is 2.25% on eligible single purchases of tangible personal property up to \$1,600.

The table below shows countywide local option sales tax collections for fiscal years 2013 through 2020.

LOCAL OPTION SALES TAX								
FISCAL YEAR	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Local Sales Tax Rate	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
DISTRIBUTION								
General Debt Service Fund	\$6,629,231	\$7,106,493	\$7,528,939	\$8,044,450	\$8,566,852	\$9,127,881	\$9,707,781	\$10,500,644
General Purpose School Fund	13,260,452	14,215,118	15,033,271	16,091,315	17,291,868	18,258,493	19,418,462	21,004,419
Cities Portion	<u>17,616,404</u>	<u>18,806,580</u>	<u>20,342,932</u>	<u>22,111,873</u>	<u>23,284,987</u>	<u>24,513,172</u>	<u>25,882,298</u>	<u>27,211,404</u>
TOTAL COLLECTIONS	<u>\$37,506,087</u>	<u>\$40,128,191</u>	<u>\$42,905,142</u>	<u>\$46,247,638</u>	<u>\$49,143,707</u>	<u>\$51,899,546</u>	<u>\$55,008,541</u>	<u>\$58,716,467</u>
% Increase over Prior Year	----	6.99	6.92	7.79	6.26	5.61	5.99	6.74

Sources: Audited Financial Statements compiled by the Comptroller of the Treasury, Division of County Audit, Nashville, Tennessee for the years presented.

The County expects sales tax collections to be affected by the COVID-19 outbreak. Local sales tax revenues comprised approximately 7% of the County's (including the Sumner County School Department's) revenues in the fiscal year ended June 30, 2020. Sales tax revenues for the fiscal year through March 2021, the most recent month for which information is available, are 118% of the amount collected in the same period the prior year. See "COVID-19 Pandemic" on page 9 herein.

COUNTY MOTOR VEHICLE TAXES

Counties may levy a tax on motor vehicles (wheel tax). The rates are set forth in the form of resolution or private act. The distribution may be designated for any county purpose specified by the resolution or private act. The County has in effect a resolution providing for the levy of a wheel tax.

The current wheel tax rate in the County is \$50.00. Currently, \$15 is contributed to roadway maintenance, improvement, construction and related expenses, and \$35 is contributed to education.

The table below shows motor vehicle tax collections for fiscal years 2013 through 2020.

MOTOR VEHICLE TAX								
FISCAL YEAR	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Wheel Tax Rate	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
DISTRIBUTION								
Highway/Public Works Fund	\$1,846,415	\$1,902,633	\$1,959,545	\$2,011,055	\$2,098,525	\$2,139,295	\$2,173,926	\$2,246,518
General Purpose School Fund	<u>4,307,993</u>	<u>4,439,141</u>	<u>4,571,828</u>	<u>4,691,985</u>	<u>4,895,855</u>	<u>4,990,956</u>	<u>5,071,463</u>	<u>5,240,511</u>
TOTAL COLLECTIONS	<u>\$6,154,408</u>	<u>\$6,341,774</u>	<u>\$6,531,373</u>	<u>\$6,703,040</u>	<u>\$6,994,380</u>	<u>\$7,130,251</u>	<u>\$7,245,389</u>	<u>\$7,487,029</u>
% Increase over Prior Year	----	3.04	2.99	2.63	4.35	1.94	1.61	3.33

Sources: Audited Financial Statements compiled by the Comptroller of the Treasury, Division of County Audit, Nashville, Tennessee for the years presented.

OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

As required, the County implemented Governmental Accounting Standards Board (“GASB”) Statements 43 and 45, which stipulate disclosing the nature and size of the County’s long-term financial obligations and commitments relative to OPEB.

The County’s current defined benefit post-employment plan provides health, dental and life insurance benefits to eligible retired County employees. The plan is self-insured and financed on a pay-as-you-go basis. For additional information, please see Note H on page 108 of the Annual Financial Report attached as Appendix C.

PENSIONS

County General Employees

County General employees are members of the Public Employee Retirement Plan, an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. The TCRS was created by state statute under TCA, Title 8, Chapters 34-37. The Tennessee Treasury Department administers the plans of the TCRS. This plan has a partial unfunded liability. Please see Note G beginning on page 90 of the Annual Financial Report attached as Appendix C.

School Teachers

Teachers of the Sumner 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. TCRS provides retirement benefits as well as death and disability benefits. The TCRS was created by state statute under TCA, Title 8, Chapters 34-37. The Tennessee Treasury Department administers the plans of the TCRS. This plan is fully funded. Please see Note G beginning on page 90 of the Annual Financial Report attached as Appendix C.

CYBER-SECURITY

The County utilizes various computer system and network technology to perform many of its vital operations and services. Such operations and services include the storage and transmission of sensitive information, and as a result, the County may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may inadvertently occur due to employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the County to legal action. The County has no knowledge of, nor a historical record of any successful cyber-security breach or related attack. Attempted cyber-security attacks occur on a periodic frequency that is not uncommon to organizations or agencies of similar characteristics. To mitigate against such risks, the County has established a separate IT department which has been primarily tasked with data and systems protection. This group works with County departments to develop individualized policies tailored to their specific needs and challenges to protect the County’s network infrastructure.

The group works with individual departments to perform training requirements as well as general cyber-security training and awareness for all employees. The Sheriff's Department and Consolidated Dispatch (two large departments within the County), have existing, dedicated IT systems and separate IT personnel. The County also maintains insurance against cyber-security incidents, up to a coverage maximum of \$100,000. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

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APPENDIX C

Annual Financial Report of the County for the
Fiscal Year Ended June 30, 2020



ANNUAL FINANCIAL REPORT

Sumner County, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
SUMNER COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
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FERMAN PRIDE, CGFM
LAUREN SHARPE
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MEGAN UHLS
CHRISVONTA SMITH
State Auditors

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

SUMNER COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Sumner County Officials

June 30, 2020

Officials

Anthony Holt, County Mayor
Judy Hardin, Superintendent of Roads
Del R. Phillips, III, Director of Schools
Cindy Williams, Trustee
John Isbell, Assessor of Property
Bill Kemp, County Clerk
Kathryn Strong, Circuit, General Sessions, and Juvenile Courts Clerk
Mark Smith, Clerk and Master
Cindy Briley, Register of Deeds
Sonny Weatherford, Sheriff
David Lawing, Director of Finance
Leah Dennen, Law Director

Board of County Commissioners

Scott Langford, Chairman	Moe Taylor
Billy Geminden	Larry Hinton
Alan Driver	Steve Graves
Jerry Foster	Leslie Schell
Danny Sullivan	Baker Ring
Terry Wright	Gene Rhodes
Loren Echols	Shellie Tucker
Luke Tinsley	Merrol Hyde
Jerry Becker	Chris Taylor
Paul Goode	Caroline Krueger
Deanne Dewitt	Jeremy Mansfield
Michael Guthrie	Justin Nipper

Board of Education

Tim Brewer, Chairman	David Wilkerson
Alice Bachman	Sarah Andrews
Andy Daniels	Glen Gregory
Jeff Duncan	Patricia Brown
Betsey Hawkins	Ted Wise
Tammy Hayes	

(Continued)

Sumner County Officials (Cont.)

Financial Management Committee

Jerry Becker, Chairman
Anthony Holt, County Mayor
Judy Hardin, Superintendent of Roads
Del R. Phillips, III, Director of Schools

Justin Nipper
Scott Langford
Jeremy Mansfield

Audit Committee

Scott Langford, Chairman
Paul Goode
Chris Taylor

Jerry Becker
Steve Graves

Highway Commission

Larry Hinton, Chairman
Anthony Holt, County Mayor
Judy Hardin, Superintendent of Roads
Steve Graves

Gene Rhodes
Luke Tinsley
Terry Wright
Tom Neal, Citizen

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Sumner County Mayor and
Board of County Commissioners
Sumner 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 Sumner County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sumner County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of the 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 Sumner 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 and General Capital Projects funds, combining and individual fund financial statements of the Sumner 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 and General Capital Projects funds, combining and individual fund financial statements of the Sumner County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Sumner 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 February 26, 2021, on our consideration of Sumner 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 Sumner 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 Sumner County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 26, 2021

JEM/sl



Management's Discussion and Analysis

For Sumner County, Tennessee

The following section is the management's discussion and analysis of the Sumner County Government's financial performance for the fiscal year ended June 30, 2020. The Sumner County School Department did not issue a separate set of financial statements. Therefore, this document includes a limited overview of the discretely presented component unit (DPCU), the Sumner County School Department.

The Sumner County Regional Airport Authority, the Sumner County Emergency Communications District, the Sumner County Convention and Visitors Bureau, and the Resource Authority in Sumner County are also discretely presented component units of the county. These component units' financial statements, which require a discrete presentation, were excluded from this report. The effect of these exclusions is not material to the financial statements. Readers should review the separately issued financial statements and management's discussions and analyses, if any are available, for these discretely presented component units.

FINANCIAL HIGHLIGHTS

- ❖ As of June 30, 2020, Sumner County Government's net position is approximately \$74.5 million. Of this amount, the unrestricted net position, which the county may use to meet Sumner County's obligations to citizens and creditors, is an approximate negative \$153.8 million. This negative unrestricted fund balance results from the Sumner County Government's financial statements, including debt of approximately \$192.7 million attributable to the Sumner County Board of Education. The discretely presented Sumner County School Department's net position (net investment in capital assets) includes the assets related to this debt. The discretely presented Sumner County School Department's net position is approximately \$312.8 million.
- ❖ During the fiscal year, the primary government's total net position improved by approximately \$23 million. The discretely presented Sumner County School Department's net position improved by about \$3.2 million, including an approximate (\$14.7 million) prior period adjustment.

- ❖ As of the close of the fiscal year, Sumner County's governmental funds reported combined fund balances of approximately \$171.9 million, which is an approximate decrease of \$8.4 million from the previous fiscal year. The discretely presented Sumner County School Department's governmental funds reported approximately \$64.2 million of total fund balances, an approximate increase of \$10.4 million from the previous fiscal year.
- ❖ At the end of the current fiscal year, the unrestricted fund balance (the total of committed, assigned, and unassigned) of the General Fund was approximately \$35.2 million, or roughly 54.5 percent, of the General Fund's annual budgetary expenditures (including other uses).
- ❖ The General Fund's balance improved by approximately \$3.4 million.

OVERVIEW OF FINANCIAL STATEMENTS

Sumner County Government provides this discussion and analysis to introduce Sumner County Government's and the discretely presented Sumner County School Department's basic financial statements. The government-wide financial statements, the fund financial statements, and the financial statements' notes comprise the basic financial statements. This annual financial report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements provide readers with a broad overview of the Sumner County Government's and the discretely presented Sumner County School Department's finances in a manner similar to a private-sector business.

The Statement of Net Position presents financial information on all of the Sumner County Government's and the discretely presented Sumner County School Department's 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 Sumner County Government's and the discretely presented Sumner County School Department's financial positions are improving or deteriorating.

The Statement of Activities presents how the Sumner County Government's and the discretely presented Sumner County School Department's net positions changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Sumner County Government and of the discretely presented Sumner County School Department that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The Sumner County Government's governmental activities include general government; finance; administration of justice;

public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways/public works; and education. The Sumner County Government and the discretely presented Sumner County School Department have no business-type functions.

The government-wide financial statements include the Sumner County Government (known as the primary government) and a legally separate school system for which the Sumner County Government is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government.

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

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Sumner County Government and the discretely presented Sumner County School Department, like other state and local governments, use fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. Sumner County Government and the discretely presented Sumner County School Department have three broad categories of funds: governmental, proprietary, and fiduciary.

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 near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information may be useful in the evaluation of 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Sumner County Government maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, General Debt Service, and General Capital Projects Funds, which are considered to be major funds. Data from the other three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. The discretely presented Sumner County School Department maintains two individual governmental funds: the General Purpose School Fund and the School Federal Projects Fund.

The Sumner County Government adopts an annual budget for the General Fund, all special revenue funds (except the constitutional officers' fees fund), the General Capital Projects Fund, and the General Debt Service Fund. With the county's approval, the discretely presented Sumner County School Department adopts an annual budget for the General Purpose School Fund and the School Federal Projects Fund. 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. The Sumner County Government maintains one type of proprietary fund, an internal service fund. An internal service fund is an accounting device used to accumulate and allocate costs internally among the Sumner County Government's various functions. The Sumner County Government uses an internal service fund to account for the county's self-insured insurance funds (occupational compensation insurance, employee health insurance, employee dental insurance, and liability insurance). Because these services predominantly benefit governmental rather than business-type functions, they are included within governmental activities in the government-wide financial statements.

The discretely presented Sumner County School Department maintains one type of proprietary fund, an internal service fund. The discretely presented Sumner County School Department uses an internal service fund to account for its self-insured insurance funds (employee health insurance).

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements for the Sumner County Government can be found in Exhibits D-1 through D-3 and, for the discretely presented Sumner County School Department, in Exhibits J-8 through J-10.

Fiduciary Funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because those funds' resources are not available to support the Sumner County Government's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Sumner County Government maintains one type of fiduciary fund, an agency fund. An agency fund reports resources held by the Sumner County Government in a custodial capacity for individuals, private organizations, or other governments. The basic fiduciary fund financial statement can be found in Exhibit E.

Notes to the Financial Statements. The notes provide additional information necessary to understand the government-wide and fund financial statements' data fully. 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 the Sumner County Government's progress in funding its obligations to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information can be

found immediately after the notes to the financial statements and are located in the table of contents.

The combining statements referred to earlier, in connection with non-major governmental funds, are presented immediately following the required supplementary information's notes. Combining and individual fund statements and schedules are located in the table of contents.

FINANCIAL ANALYSIS OF SUMNER COUNTY AS A WHOLE

Net Position

Table 1. Sumner County Government's Net Position

	Governmental Activities	
	June 30, 2020	June 30, 2019
Assets:		
Current and Other Assets	\$ 269,027,021	\$ 265,975,021
Capital Assets	105,301,816	95,177,133
Total Assets	<u>\$ 374,328,837</u>	<u>\$ 361,152,154</u>
Total Deferred Outflows of Resources	\$ 10,454,711	\$ 8,217,372
Liabilities:		
Long-term Liabilities Outstanding	\$ 212,872,038	\$ 231,012,258
Other Liabilities	35,191,979	27,156,921
Total Liabilities	<u>\$ 248,064,017</u>	<u>\$ 258,169,179</u>
Total Deferred Inflows of Resources	\$ 62,208,872	\$ 59,865,348
Net Position:		
Net Investment in Capital Assets	\$ 94,160,475	\$ 79,862,690
Restricted	134,164,437	147,627,485
Unrestricted	(153,814,253)	(176,155,176)
Total Net Position	<u>\$ 74,510,659</u>	<u>\$ 51,334,999</u>

Current and other assets increased by approximately \$3 million from the prior fiscal year. The increase is primarily the result of a \$2.2 million increase in property taxes receivable and an increase of approximately \$600 thousand in the county's net pension assets. Of the approximate \$2.2 million increase in property taxes receivable, roughly \$1.9 million was deferred—related to the tax levy to fund the subsequent fiscal year. The \$600 thousand growth in the net pension assets is primarily the result of the county funding a retirement rate above the actuarially determined rate. The goal of the excess funding is to dampen the future increases in the retirement rate above the currently funded level.

The increase in the deferred outflow of resources results from other post-employment benefits experience differing from the last measurement date's expectations.

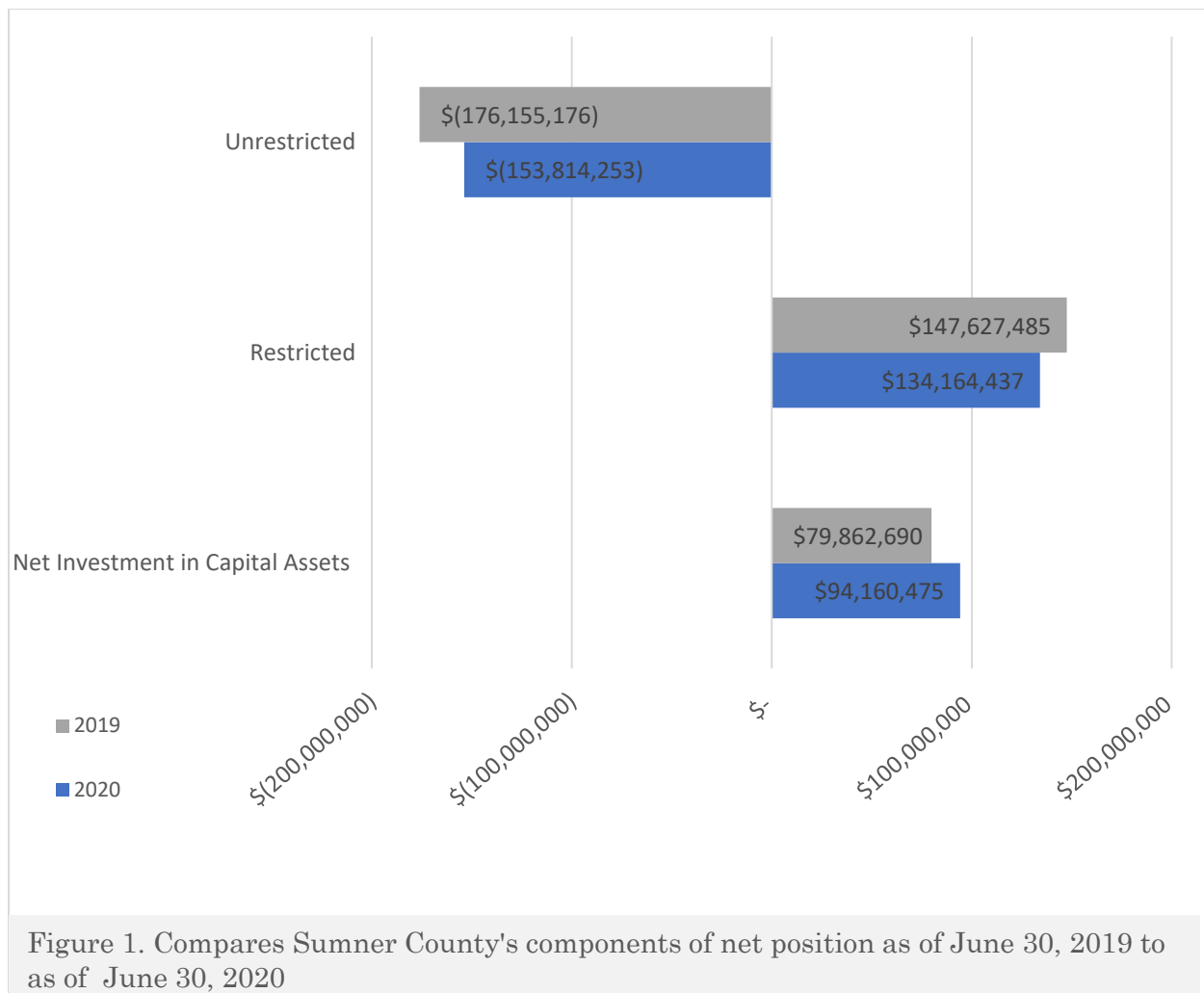
The decrease in the long-term liabilities is predominately related to long-term debt, discussed later in the letter.

Other liabilities increased by approximately \$8 million from the previous year, primarily due to a \$5.4 million increase in payables related to major construction and renovation projects. The majority of the remaining difference—approximately \$2.1 million—is related to a greater proportion of the county's debt being due within one year. This increase results from the county's equal amortization of debt between the fiscal years—an increasing amount of principal paid and a decreasing amount of interest.

Total deferred inflows of resources increased by approximately \$2.3 million, primarily due to a roughly \$1.9 million increase in deferred property taxes.

By far, the most considerable portion of the Sumner County Government's net position, \$94,160,475, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure) less any related outstanding debt that was used to acquire those assets. The Sumner County Government uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Sumner County Government's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Sumner County Government's net position, \$134,164,437, represents resources subject to external restrictions on how they may be used. The remaining balance for the Sumner County Government of \$153,814,253 is an unrestricted deficit. This unrestricted deficit does not mean that the county does not have the resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. The aforementioned unrestricted net position deficit is attributable to the State of Tennessee constitution, allowing only the local legislative body to issue debt for the Sumner County Board of Education. Therefore, whenever the Sumner 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 Sumner County Government. At the end of the current fiscal year, the Sumner County Government had outstanding debt related to the Sumner County Board of Education of \$192,658,650. The related assets for this debt are reported in the Statement of Net Position under component units in the column "Sumner County School Department."



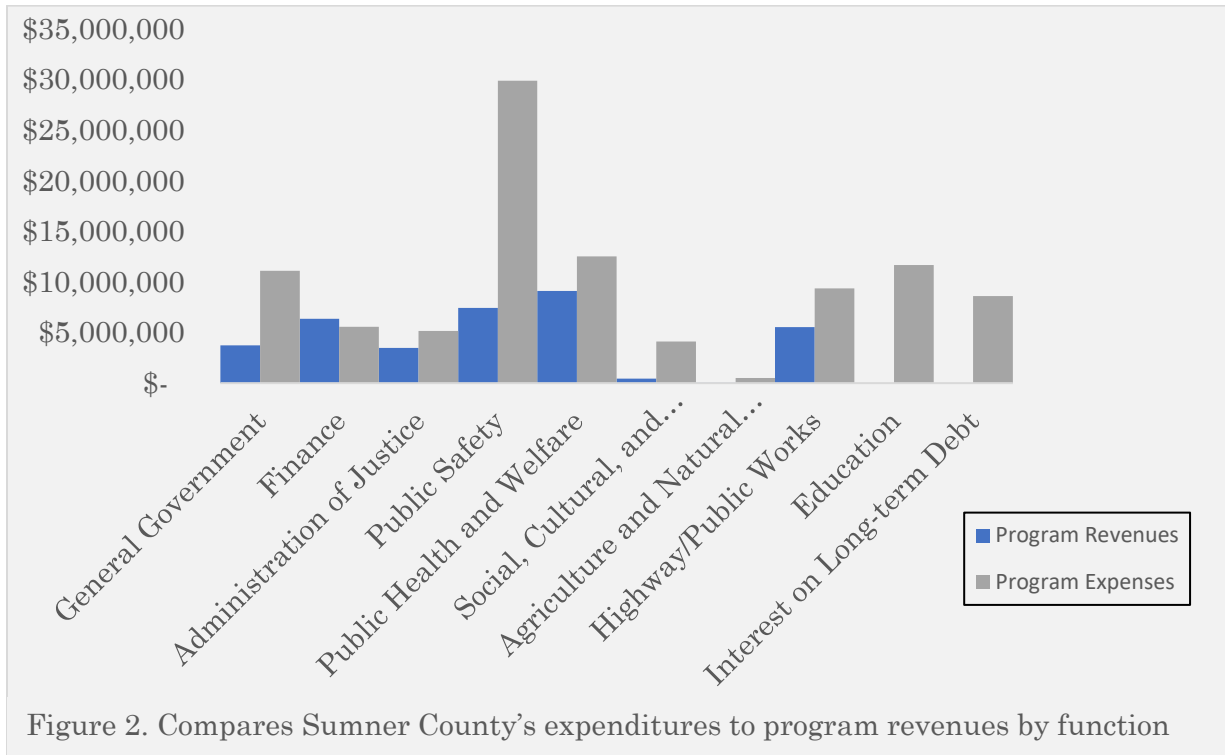
Governmental Activities. The Sumner County Government's total net position improved by \$23,175,660, or 45%, between fiscal years 2019 and 2020. The primary reasons for this overall increase are enumerated below.

- Sumner County Primary Government's long-term debt decreased \$17,725,000 due to the payments of maturing long-term bonds.
- Capital assets increased by \$10,124,683, which is discussed in detail later in this letter.
- As discussed in detail later in this letter, Sumner County's governmental funds decreased by \$8,440,710 from the previous fiscal year.
- An increase in the deferred outflow of resources results from other post-employment benefits experience differing from the last measurement date's expectations by \$2,688,953.

Table 2. Sumner County Government's Activities

	Governmental Activities	
	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program Revenues:		
Charges for Services	\$ 26,716,416	\$ 26,437,363
Operating Grants and Contributions	7,997,528	6,715,467
Capital Grants and Contributions	1,403,195	1,233,647
General Revenues:		
Property Tax	56,975,807	46,878,368
Local Option Sales Tax	10,500,644	9,707,781
Wheel Tax	2,246,518	2,173,926
Interstate Telecommunications Tax	-	410
Business Tax	2,346,218	2,410,875
Adequate Facilities/Development Tax	2,582,347	2,843,436
Hotel/Motel Tax	758,814	937,692
Wholesale Beer Tax	494,561	442,792
Litigation Tax	1,040,760	1,211,726
Mineral Severance Tax	210,476	224,966
Beer Privilege Tax	2,526	2,636
Local Amusement Tax	1,043	1,719
Grants and Contributions Not Restricted to Specific Programs	4,494,660	3,612,100
Unrestricted Investment Income	3,679,212	3,945,211
Miscellaneous	81,874	67,452
Gain from Sale of Capital Assets	166,962	0
Total Revenues	<u>\$ 121,699,561</u>	<u>\$ 108,847,567</u>
Expenses:		
General Government	\$ 11,101,151	\$ 10,803,948
Finance	5,577,176	4,897,420
Administration of Justice	5,157,069	5,617,177
Public Safety	29,906,631	27,497,284
Public Health and Welfare	12,530,096	11,371,502
Social, Cultural, and Recreational Services	4,103,041	2,898,312
Agriculture and Natural Resources	501,933	439,817
Highways	9,353,252	8,390,809
Education	11,682,080	13,520,338
Interest on Long-term Debt	8,611,472	5,087,595
Total Expenses	<u>\$ 98,523,901</u>	<u>\$ 90,524,202</u>
Increase (Decrease) in Net Position	\$ 23,175,660	\$ 18,323,365
Net Position - Beginning	51,334,999	33,011,634
Net Position - Ending	<u>\$ 74,510,659</u>	<u>\$ 51,334,999</u>

Program revenues derive directly from the program itself or parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues. Figure 2 presents program revenues in juxtaposition to program expenditures—the difference is the amount funded by the county's general revenues.



Discretely Presented Sumner County School Department

The discretely presented Sumner County School Department's net position improved by approximately \$3,154,655 — which includes a (\$14,663,858) prior period adjustment between fiscal years 2019 and 2020 (see Table 4).

Table 3. Discretely Presented Sumner County School Department's Net Position

	Governmental Activities	
	June 30, 2020	June 30, 2019
Assets:		
Current and Other Assets	\$ 227,851,159	\$ 186,040,124
Capital Assets	<u>244,977,030</u>	<u>250,291,642</u>
Total Assets	<u>\$ 472,828,189</u>	<u>\$ 436,331,766</u>
Total Deferred Outflows of Resources	\$ 43,754,891	\$ 30,627,041
Liabilities:		
Long-term Liabilities Outstanding	\$ 68,908,831	\$ 51,552,405
Other Liabilities	<u>7,531,012</u>	<u>6,187,335</u>
Total Liabilities	<u>\$ 76,439,843</u>	<u>\$ 57,739,740</u>
Total Deferred Inflows of Resources	\$ 127,356,212	\$ 99,586,697
Net Position:		
Net Investment in Capital Assets	\$ 239,448,294	\$ 258,907,289
Restricted	40,773,201	20,687,600
Unrestricted	<u>32,565,530</u>	<u>30,037,481</u>
Total Net Position	<u><u>\$ 312,787,025</u></u>	<u><u>\$ 309,632,370</u></u>

Table 4. The Discretely Presented Sumner County School Department's Activities

	Governmental Activities	
	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program Revenues:		
Charges for Services	\$ 7,065,255	\$ 8,922,278
Operating Grants and Contributions	18,108,761	18,925,759
Capital Grants and Contributions	10,695,307	10,980,371
General Revenues:		
Property Tax	80,570,872	65,140,084
Local Option Sales Tax	21,004,419	19,418,462
Wheel Tax	5,240,511	5,071,463
Mixed Drink Tax	346,866	330,904
Grants and Contributions Not Restricted to Specific Programs	159,727,813	154,669,104
Unrestricted Investment Earnings	115,425	113,954
Miscellaneous	80,688	257,893
Total Revenues	<u>\$ 302,955,917</u>	<u>\$ 283,830,272</u>
Expenses:		
Education	<u>\$ 285,137,404</u>	<u>\$ 263,798,965</u>
Total Expenses	<u>\$ 285,137,404</u>	<u>\$ 263,798,965</u>
Increase (Decrease) in Net Position	\$ 17,818,513	\$ 20,031,307
Prior Period Adjustment	(14,663,858)	16,349,359
Net Position - Beginning	<u>309,632,370</u>	<u>273,251,704</u>
Net Position - Ending	<u>\$ 312,787,025</u>	<u>\$ 309,632,370</u>

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

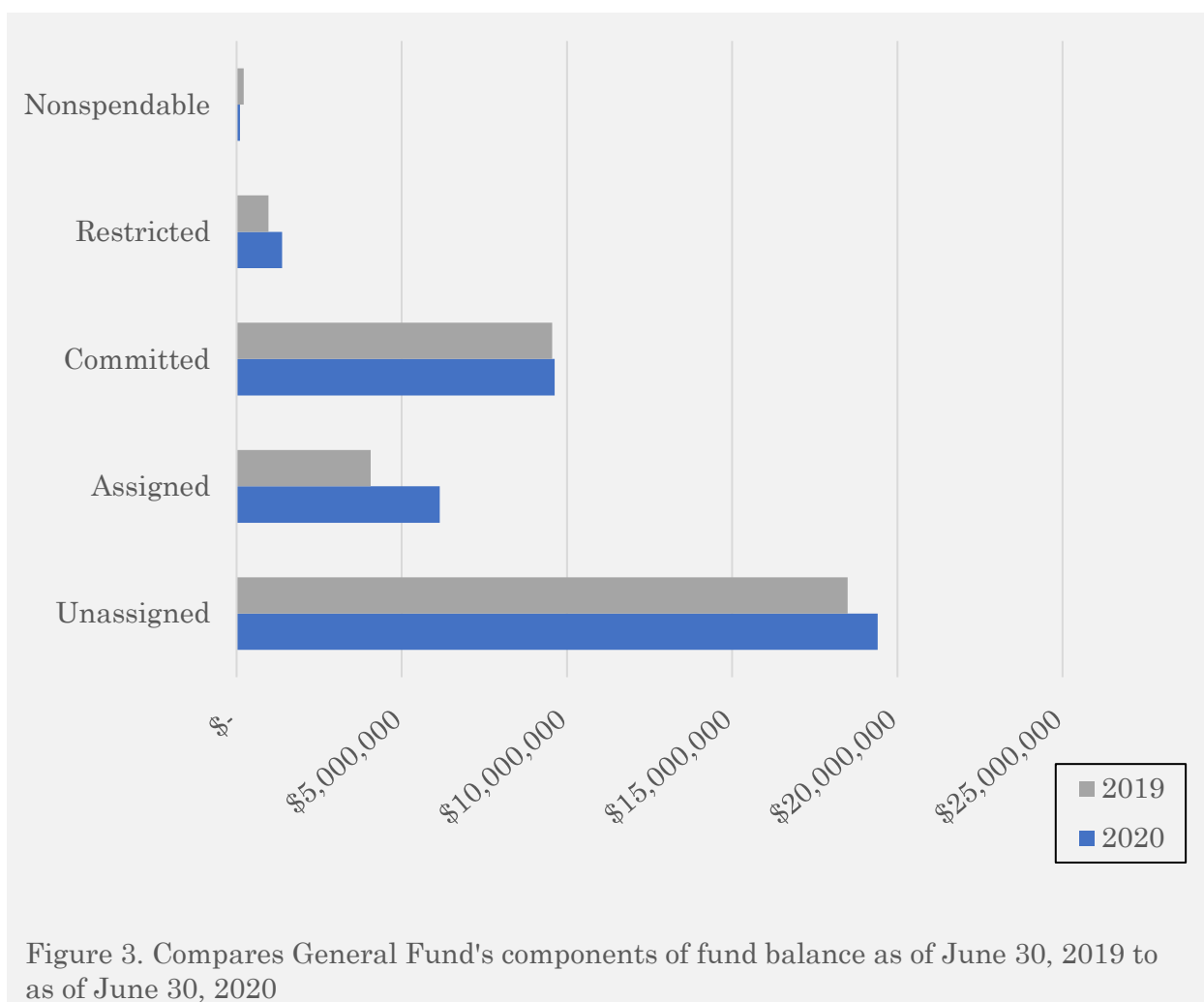
As noted earlier, the Sumner County Government and the discretely presented Sumner County School Department use fund accounting to ensure and to demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the Sumner County Government's and the discretely presented Sumner 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 the Sumner County Government's and the discretely presented Sumner County School Department's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not yet been limited for a particular purpose by either an external party, the Sumner County Government, the discretely presented Sumner County School Department, or a group of individuals that has been delegated the authority to assign resources for particular purposes by the Sumner County Commission.

On June 30, 2020, Sumner County's governmental funds reported combined fund balances of \$171,877,004, a decrease of \$8,440,710 compared to the prior year. Approximately eleven percent of this amount, \$19,400,549, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either unspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form (\$98,744); 2) restricted for particular purposes (\$130,708,955); 3) committed for particular purposes (\$15,522,348); or 4) assigned for particular purposes (\$6,146,408).

Analysis of Individual Funds

The General Fund is the chief operating fund of the Sumner County Government. Figure 3 presents the individual components of the General Fund's fund balance. At the end of the current fiscal year, the unassigned fund balance was \$19,400,549, while the total fund balance was \$36,653,201. The unassigned fund balance is net of \$5,786,220, assigned (approved) for use in the budget for the fiscal year ending June 30, 2021. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 30 percent of the total General Fund's budgetary expenditures, while total fund balance represents roughly 57 percent of that same amount.



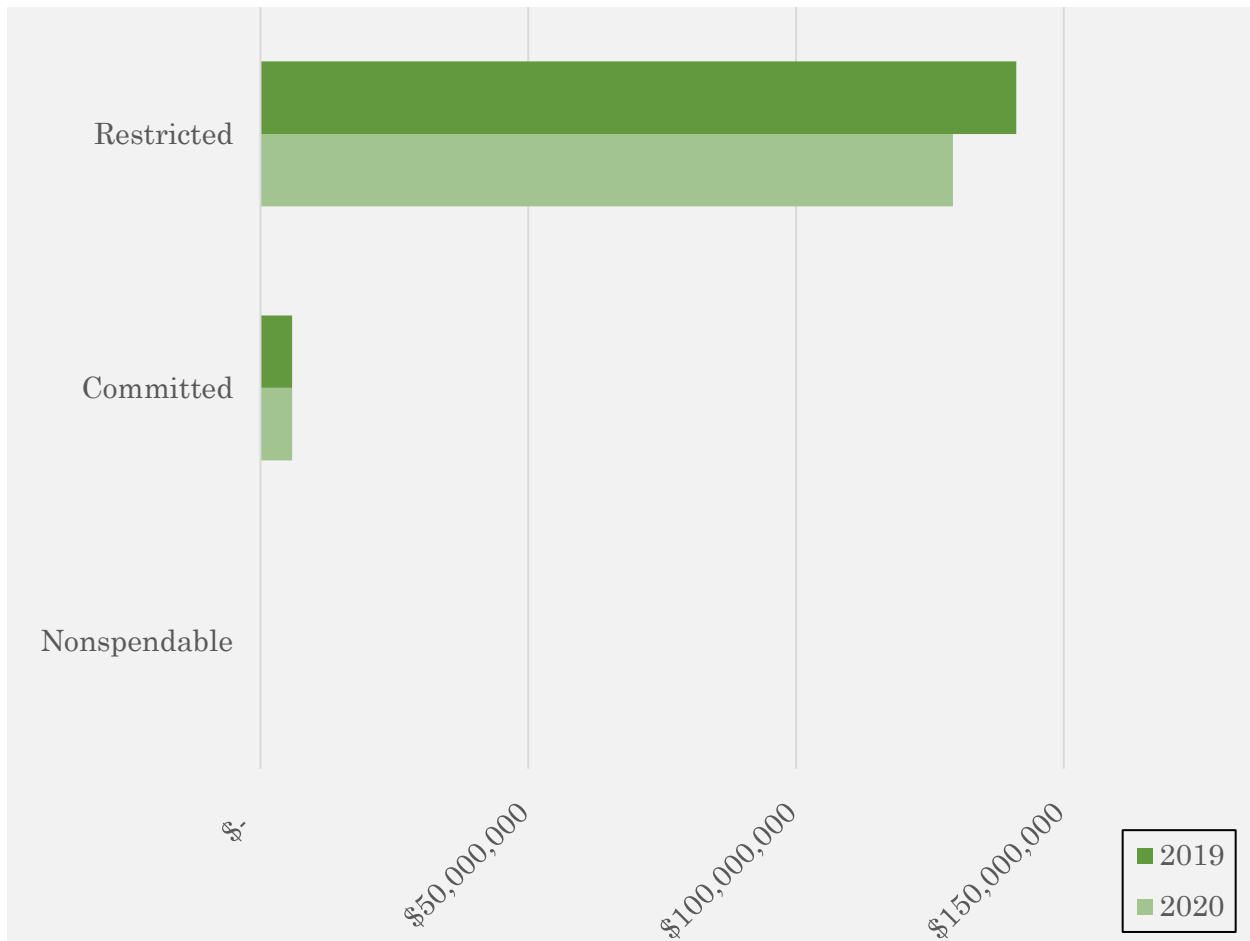


Figure 4. Compares other Governmental Fund's components of fund balance as of June 30, 2019 to as of June 30, 2020

The General Fund's balance improved by \$3,372,957 as the result of appropriations exceeding expenditures.

The General Debt Service Fund's, a major fund, balance improved by \$1,225,419, resulting from revenues exceeding the budgeted amount by \$424,425 and a budgeted increase in fund balance.

The Highway/Public Works Fund's balance deteriorated by \$224,557, resulting from a budgeted decrease in fund balance.

The General Capital Projects Fund, the remaining major governmental fund, had a \$12,688,170 decrease in fund balance—the county expended \$4,678,005 of accumulated local revenues and \$8,010,165 of unspent bond proceeds on major construction and renovation projects.

General Fund Budgetary Highlights

Original budget compared to the final budget. As presented in Table 5, the difference in the original budget's and the final budget's appropriations increased by \$3,650,528 compared to the original budget of \$70,898,814. Of this amount, \$825,366 was from fund balances.

Table 5. County General Fund's budget

	Governmental Activities	
	Original	Final
Budgeted Operations		
Budgeted Revenues	\$ 65,455,051	\$ 68,273,791
Appropriations	<u>70,898,814</u>	<u>74,549,342</u>
Operating Excess (Deficiency)	<u>\$ (5,443,763)</u>	<u>\$ (6,275,551)</u>
Budgeted Other Financing Sources (Uses)		
Budgeted Other Financing Sources	\$ 0	\$ 6,422
Budgeted Other Financing Uses	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 6,422</u>
Budgeted Net Change in Fund Balance	<u>\$ (5,443,763)</u>	<u>\$ (6,269,129)</u>
Budgeted Fund Balance, Beginning of Period	<u>32,597,480</u>	<u>32,597,480</u>
Budgeted Fund Balance, End of Period	<u><u>\$ 27,153,717</u></u>	<u><u>\$ 26,328,351</u></u>

The following items are the main components of the amendments.

- \$1,174,388 supplemental appropriation to the sheriff's office for 16 new school resource officer positions funded from an estimated increase in property tax revenue
- \$1,071,376 supplemental appropriation to the sheriff's office for inmate medical services funded by an estimated increase in state revenue of \$771,376 and from the unassigned fund balance of \$300,000
- \$155,000 supplemental appropriation for quarantine sites for COVID-19 work-related exposures funded from the unassigned fund balance
- \$151,139 supplemental appropriation to the emergency medical services for COVID-19 related expenses funded by an estimated increase in federal grant revenue
- \$124,087 supplemental appropriation to the emergency management agency for homeland security grants funded from an estimated increase in federal revenues
- \$118,650 supplemental appropriation to the emergency medical services and the emergency management agency for overtime pay due to the COVID-19 pandemic funded from the unassigned fund balance

- \$105,500 supplemental appropriation to the drug (recovery) court funded from an estimated increase in state grant revenues
- \$92,000 supplemental appropriation to the election commission for COVID-19 related expenses funded by the unassigned fund balance
- \$79,369 supplemental appropriation to the emergency management agency for COVID-19 related expenses funded from the unassigned fund balance
- \$70,000 supplemental appropriation to the sheriff's office for inmate food supplies funded from the unassigned fund balance
- \$50,000 supplemental appropriation to the county mayor's office for a three-star grant funded from an estimated increase in state grant revenue
- \$35,411 supplemental appropriation to the sheriff's office for the state criminal alien assistance program funded from an estimated increase in federal revenue
- \$34,283 supplemental appropriation to the county buildings budget for flooring replacement at the emergency response complex funded from the unassigned fund balance
- \$27,949 supplemental appropriation to the sheriff's office for an Impaired Driving Enforcement Grant from the Tennessee Highway Safety Office funded by an estimated increase in federal grant revenues
- \$24,786 supplemental appropriation to the county commission budget as matching funds for improvements to SR 52 and US 31W (exit 117 from I65) funded from the unassigned fund balance
- \$21,994 supplemental appropriation for Bridal House improvements financed by the committed fund balance for the Bridal House
- \$21,000 supplemental appropriation to the sheriff's office for the officers' training supplement funded from an estimated increase in state revenue
- \$20,000 supplemental appropriation to the health department for a Healthy Built Environment grant funded from an estimated increase in state grant revenue
- \$15,000 supplemental appropriation to the sheriff's office for law enforcement equipment funded from a contribution from Students Against Destructive Decisions (SADD)
- \$11,250 supplemental appropriation to the Millersville Library for management of the Millersville Community Center funded from an estimated increase in revenue from the City of Millersville
- \$10,858 supplemental appropriation to the sheriff's office animal control program funded from an estimated increase in donations
- Various other minor supplemental appropriations funded by increases in estimated revenues or uses of fund balances

Final budget compared to actual results

The most significant differences between the final budgeted revenues and actual revenues in the General Fund are presented in Table 6.

Table 6. Budgeted compared to actual results

	Revenues		Difference
	Budgeted	Actual	
Local Taxes	\$ 33,834,862	\$ 34,432,849	\$ 597,987
Licenses and Permits	1,219,716	1,144,305	(75,411)
Fines, Forfeitures, and Penalties	597,906	558,934	(38,972)
Charges for Current Services	9,309,944	8,297,348	(1,012,596)
Other Local Revenues	3,503,275	3,225,770	(277,505)
Fees Received From County Officials	10,037,775	10,374,242	336,467
State of Tennessee	8,100,351	8,865,374	765,023
Federal Government	746,941	692,190	(54,751)
Other Governments and Citizens Groups	923,021	332,792	(590,229)
Total Revenues	<u>\$ 68,273,791</u>	<u>\$ 67,923,804</u>	<u>\$ (349,987)</u>

The budgetary excess in local taxes resulted from the bank excise taxes received in March 2020, pre-COVID-19, which were \$599,827 more than anticipated due to the pre-pandemic economy performing better than anticipated. The budgetary shortfall in licenses and permits resulted predominately from building permit collections being less than expected due to the COVID-19 pandemic resulting in lower than expected revenues. The revenue shortfall in fines, forfeitures, and penalties was primarily due to officers' costs collections being less than expected due to the COVID-19 pandemic. The shortfall in charges for current services was the result of the COVID-19 pandemic. The most notable shortfalls in this category are the emergency medical services' patient charges (\$829,835), library fees (\$24,327), and probation fees (\$26,052). The budgetary shortfall in other local revenues resulted from other entities' contributions for the operations of the Sumner County Emergency Communications Center (ECC), a joint venture, being less than budgeted. This shortfall resulted from the costs of operating the center being less than anticipated, resulting in smaller corresponding reimbursements. The budgetary excess in fees received from county officials resulted from trustee commissions and the register of deeds collections exceeding budgets. The budgetary surpluses in trustee's commissions resulted from the robust pre-pandemic economy, and the county received most property tax revenues before the pandemic had any material impact. The excess collection in the register of deeds' fees resulted from the robust pre-pandemic economy and the low-interest rates, which have continued to impact the office's collections positively. The budgetary excess in the State of Tennessee category was primarily the result of a higher than anticipated state inmate population, which resulted in the corresponding additional revenues and an un-budgeted \$250,000 grant to restore the Comer Barn. The federal government category's budgetary shortfall resulted from grants and other pass-through (reimbursement) programs anticipated but not spent or reimbursed in the current fiscal year. The budgetary shortfall in other governments and citizens groups resulted from

reimbursements anticipated but not received due to amounts that were not spent on various reimbursement-based programs. This category's most considerable shortfall was a \$500,000 donation budgeted but not received for a county park. It should be noted that, in totality, collections in the General Fund were approximately 99.5% of the budgeted amount.

This year's \$9,969,499 of unspent appropriations were primarily the result of the following factors.

- Approximately \$5,328,790 of unspent appropriations for various unfilled or under-filled positions (including benefits)
- \$531,252 of unspent appropriations for Capps Gap Landfill closure
- \$500,000 of unspent appropriations for county park construction
- \$157,434 of unspent appropriations for utilities (electricity, water, sewer, and natural gas)
- \$135,788 of unspent appropriations for housing incarcerated juveniles
- \$135,969 of unspent appropriations for gasoline
- \$121,485 of unspent appropriations for a Civil War Grant and \$50,000 for a Three-Star grant
- \$119,540, \$59,954, and \$20,787 of unspent appropriations for inmate medical treatment costs, inmate food supplies, and other inmate supplies, respectively
- \$88,473 of unspent appropriations for the drug task force and district attorney general's office
- \$57,748 of unspent appropriations for travel from the Health Department's Direct Grant Access (DGA)
- \$57,016 of unspent appropriations for Emergency Medical Service's COVID-19 Grant
- \$55,600 of unspent appropriations for COVID-19 quarantine sites
- \$47,169 of unspent appropriations for Portland Airport grant matches

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

The differences in the original budget's and the final budget's appropriations, including other uses, increased by \$13,375,022 compared to the original budget of \$284,512,088. Of this increase, \$10,276,204 was funded by an estimated increase in revenues and other sources; the remainder was funded from fund balances.

Capital Assets and Debt Administration

Primary Government

The Sumner County Government's investment in capital assets, net of accumulated depreciation, as of June 30, 2020, was \$105,301,816. This investment in net assets includes land, construction in progress, intangibles, buildings, building improvements, machinery and equipment, roads, and bridges. The total increase in the Sumner County Government's investment in capital assets for the fiscal year was \$10,124,683.

Table 7. Change in Sumner County's Capital Assets (net of depreciation)

	Fiscal Year Ended		Change
	June 30, 2020	June 30, 2019	
Land	\$ 7,163,643	\$ 4,708,116	\$ 2,455,527
Construction in Progress	10,279,749	6,753,541	3,526,208
Buildings and Improvements	41,918,017	39,664,548	2,253,469
Roads and Bridges	33,535,947	34,052,387	(516,440)
Intangibles (depreciated)	418,252	459,876	(41,624)
Other Capital Assets	11,986,208	9,538,665	2,447,543
Total	<u>\$ 105,301,816</u>	<u>\$ 95,177,133</u>	<u>\$ 10,124,683</u>

Major capital asset events during the fiscal year included the following.

- Work-in-progress increases totaled \$8,071,572, which consists of \$304,117 for the Sumner County Administration Building roof and fire panel repairs and the parking lot construction behind the county administration building; \$3,728 for the finance department enterprise resource planning project for Kronos and Munis; \$2,362,867 for the new courthouse project and new parking garage; \$1,862,638 for replacing locks at the jail, a training center classroom addition, and the jail pod addition; \$2,207 for repairing/replacing doors at the emergency communications center; \$3,520,491 for the county-wide communications system; \$9,936 for the emergency response complex parking lot construction; and \$5,588 for Liberty Creek Park. Decreases to work-in-progress totaled \$4,545,364, which was for the completion of the Sumner County Administration Building roof and fire panel repairs, repairing/replacing doors at the emergency communications center, and the Station Camp Greenway.
- Land increases totaled \$2,521,027. Increases included \$437,027 for land on Tulip Poplar behind the county administration building, \$2,000,000 for land for the new courthouse, and \$84,000 for the Millersville Library property and the Cottontown Community Club property. Decreases totaled \$65,500 for the property formerly occupied by General Sessions II.
- Buildings and building improvements increases totaled \$5,529,525. Increases included \$717,214 for replacing the roof, boiler flue, and fire panel at the county administration building; \$15,139 for replacement of the HVAC system at the county clerk's Hendersonville office; \$179,941 for replacing doors and locks, installing a padded cell, sealing/stripping the parking lot, replacing an HVAC unit, and replacing lights at the jail;

\$7,707 to repair/replace doors at the emergency communications center; \$34,283 for flooring replacement at the emergency response complex; \$21,289 for installation of a security system at the Hendersonville Library; \$624,900 for Millersville Library; and \$3,929,052 for completion of the Station Camp Greenway. A meeting room build-out totaling \$7,560 was donated to the Gallatin Library. Building and building improvements decrease included \$140,000 for the General Sessions II building and \$310,100 for the county administration building roof that was replaced. Building improvement depreciation expenses totaled \$1,191,399 for the fiscal year.

- Depreciable equipment increases totaled \$4,641,170. Disposals of depreciable equipment totaled \$1,769,480, with associated accumulated depreciation of \$1,650,369. Depreciation for equipment totaled \$2,074,516.
- The infrastructure's gross increase consists of \$3,282,611 of road and bridge improvements less reductions of \$2,187,638 and road surfacing completely depreciated of \$2,187,567. Infrastructure's depreciation totaled \$3,798,980.
- There were no increases in intangible assets. Amortization for the intangible assets totaled \$41,624.

Discretely Presented Sumner County School Department

The discretely presented Sumner County School Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2020, was \$244,977,030. This investment in capital assets includes land, buildings, building improvements, machinery, and equipment. The total decrease in the Sumner County School Department's investment in capital assets for the fiscal year was \$5,314,612.

Table 8. Change in Sumner County School Department's Capital Assets (net of depreciation)

	Fiscal Year Ended		Change
	June 30, 2020	June 30, 2019	
Land	\$ 12,748,208	\$ 11,726,831	\$ 1,021,377
Construction in Progress	14,510,020	34,677,211	(20,167,191)
Buildings and Improvements	204,267,837	190,039,407	14,228,430
Other Capital Assets	13,450,965	13,848,193	(397,228)
Total	<u>\$ 244,977,030</u>	<u>\$ 250,291,642</u>	<u>\$ (5,314,612)</u>

The notes to the financial statements contain additional details about the Sumner County Government's and the discretely presented Sumner County School Department's capital assets. The table of contents provides the specific page numbers for the notes to the financial statements.

Long-term Debt

At the end of the current fiscal year, the Sumner County Government had long-term debt totaling \$205,925,000, which is to be paid by the General Debt Service Fund. This was a

decrease in long-term debt of \$17,725,000 from the previous fiscal year. The entire decrease was attributable to the payment of matured bonds. The full faith and credit of the county backs all debt. Sumner County's most recent bonds were rated AA+/Stable by Standard and Poor's Financial Services. The notes to the financial statements contain additional information about Sumner County Government's long-term debt. The table of contents provides the specific page numbers for the notes to the financial statements.

Table 9. Sumner County's Outstanding Long-term Debt

Issued For	Board of Education	Primary Government	Total Debt
Bond - Refunding	\$ 37,040,000	\$ 0	\$ 37,040,000
General Obligation Series 2013	13,919,100	2,850,900	16,770,000
General Obligation Series 2015	50,912,400	7,607,600	58,520,000
General Obligation Series 2019	90,787,150	2,807,850	93,595,000
Total	<u>\$ 192,658,650</u>	<u>\$ 13,266,350</u>	<u>\$ 205,925,000</u>

Economic Factors and Next Year's Budgets and Rates

When Sumner County adopted its budget on June 29, 2020, the following factors were considered.

- With the onset of the COVID-19 pandemic, due to its harmful but not entirely determined economic impact, the budget committee and county commission minimized expenditures in the 2021 fiscal year budget—limiting capital and other improvements and not funding cost of living raises to employees.
- As of June 30, 2020, Sumner County's unemployment rate was 9.2 percent (not seasonally adjusted), which was considerably higher than the June 30, 2019 rate of 3.1 percent (not seasonally adjusted).
- Overall inflation levels were low—the consumer price index for all urban consumers was .65%.
- Earnings in Sumner County continue to increase year over year, indicated by increases in average annual pay, median household income, and per capita income.
- Population growth in the county has been steadily increasing, with the most recent annual rate reported at approximately 2%.

Requests for Information

This financial report is designed to provide a general overview of the county's finances. For questions concerning any of the information provided in this report, please contact the Sumner County Finance Department at 355 North Belvedere Drive, Room 302, Gallatin, Tennessee 37066.

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Sumner County School Department
<u>ASSETS</u>		
Cash	\$ 6,885	\$ 7,685
Equity in Pooled Cash and Investments	195,416,493	97,885,188
Accounts Receivable	10,776,003	127,182
Allowance for Uncollectibles	(9,819,186)	0
Due from Other Governments	6,725,501	9,175,727
Due from Other Funds - Agency	43,483	0
Notes Receivable - Long-term	800,000	0
Property Taxes Receivable	61,337,096	86,736,021
Allowance for Uncollectible Property Taxes	(882,127)	(1,247,404)
Prepaid Items	99,645	23,195
Accrued Interest Receivable	47,945	0
Net Pension Asset - Agent Plan	4,475,283	4,155,927
Net Pension Asset - Teacher Retirement Plan	0	1,291,211
Net Pension Asset - Teacher Legacy Pension Plan	0	28,575,564
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	1,120,863
Capital Assets:		
Assets Not Depreciated:		
Land	7,163,643	12,748,208
Construction in Progress	10,279,749	14,510,020
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	41,918,017	204,267,837
Other Capital Assets	11,986,208	13,450,965
Infrastructure	33,535,947	0
Intangibles	418,252	0
Total Assets	<u>\$ 374,328,837</u>	<u>\$ 472,828,189</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Amount on Refunding	\$ 960,628	\$ 0
Pension Changes in Experience	1,503,065	2,840,617
Pension Changes in Assumptions	1,042,612	4,863,779
Pension Changes in Proportion	0	354,412
Pension Contributions After Measurement Date	3,666,760	14,306,220
OPEB Changes in Experience	2,688,953	12,620,910
OPEB Changes in Assumptions	574,059	5,870,472
OPEB Changes in Proportion	0	2,719,777
OPEB Benefits Paid After Measurement Date	18,634	178,704
Total Deferred Outflows of Resources	<u>\$ 10,454,711</u>	<u>\$ 43,754,891</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Sumner County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 4,429,405	\$ 2,949,001
Accrued Payroll	861,590	0
Payroll Deductions Payable	301,173	3,799,649
Contracts Payable	5,262,826	0
Retainage Payable	181,249	0
Due to State of Tennessee	22,053	0
Other Current Liabilities	3,766	0
Due to Litigants, Heirs, and Others	6,080	0
Current Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	0	362,957
Accrued Interest Payable	678,671	0
Noncurrent Liabilities:		
Due Within One Year - Debt	19,840,000	0
Due Within One Year - Other	3,605,166	419,405
Due in More Than One Year - Debt	201,862,818	0
Due in More Than One Year - Other	11,009,220	68,908,831
Total Liabilities	<u>\$ 248,064,017</u>	<u>\$ 76,439,843</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 59,606,801	\$ 84,289,233
Pension Changes in Experience	575,478	18,214,343
Pension Changes in Investment Earnings	1,274,273	9,402,520
Pension Changes in Proportion	0	276,901
OPEB Changes in Experience	574,675	1,408,013
OPEB Changes in Assumptions	177,645	786,845
OPEB Changes in Proportion	0	12,978,357
Total Deferred Inflows of Resources	<u>\$ 62,208,872</u>	<u>\$ 127,356,212</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 94,160,475	\$ 239,448,294
Restricted for:		
General Government	419,595	0
Finance	119,677	0
Administration of Justice	666,284	0
Public Safety	163,146	0
Social, Cultural, and Recreational Services	274,854	0
Highway/Public Works	1,256,168	0
Capital Projects	109,788,283	0
Debt Service	17,001,147	0
Education	0	5,629,636
Pensions	4,475,283	35,143,565
Unrestricted	<u>(153,814,253)</u>	<u>32,565,530</u>
Total Net Position	<u>\$ 74,510,659</u>	<u>\$ 312,787,025</u>

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

Exhibit B

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

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	Component Unit
					Total Governmental Activities	Sumner County School Department
Primary Government:						
General Government	\$ 11,101,151	\$ 3,191,944	\$ 547,391	\$ 0	\$ (7,361,816)	\$ 0
Finance	5,577,176	6,350,303	0	0	773,127	0
Administration of Justice	5,157,069	3,427,702	68,196	0	(1,661,171)	0
Public Safety	29,906,631	6,003,038	1,284,558	138,128	(22,480,907)	0
Public Health and Welfare	12,530,096	7,441,891	1,522,571	146,675	(3,418,959)	0
Social, Cultural, and Recreational Services	4,103,041	36,772	393,143	7,560	(3,665,566)	0
Agriculture and Natural Resources	501,933	6,900	0	0	(495,033)	0
Highway/Public Works	9,353,252	257,866	4,181,669	1,110,832	(3,802,885)	0
Education	11,682,080	0	0	0	(11,682,080)	0
Interest on Long-term Debt	8,611,472	0	0	0	(8,611,472)	0
Total Primary Government	\$ 98,523,901	\$ 26,716,416	\$ 7,997,528	\$ 1,403,195	\$ (62,406,762)	\$ 0
Component Unit:						
Sumner County School Department	\$ 285,137,404	\$ 7,065,255	\$ 18,108,761	\$ 10,695,307	\$ 0	\$ (249,268,081)
Total Component Unit	\$ 285,137,404	\$ 7,065,255	\$ 18,108,761	\$ 10,695,307	\$ 0	\$ (249,268,081)

(Continued)

Exhibit B

Sumner County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government	Sumner
					Total Governmental Activities	County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 40,167,068	\$ 80,570,872
Property Taxes Levied for Debt Service					16,808,739	0
Local Option Sales Tax					10,500,644	21,004,419
Wheel Tax					2,246,518	5,240,511
Mixed Drink Tax					0	346,866
Business Tax					2,346,218	0
Adequate Facilities/Development Tax					2,582,347	0
Hotel/Motel Tax					758,814	0
Wholesale Beer Tax					494,561	0
Litigation Tax					1,040,760	0
Mineral Severance Tax					210,476	0
Beer Privilege Tax					2,526	0
Local Amusement Tax					1,043	0
Grants and Contributions Not Restricted to Specific Programs					4,494,660	159,727,813
Unrestricted Investment Earnings					3,679,212	115,425
Miscellaneous					81,874	80,688
Gain from Sale of Capital Assets					166,962	0
Total General Revenues					<u>\$ 85,582,422</u>	<u>\$ 267,086,594</u>
Change in Net Position						
Net Position, July 1, 2019					\$ 23,175,660	\$ 17,818,513
Prior-period Adjustment - See Note I.D.11.					51,334,999	309,632,370
Net Position, June 30, 2020					0	(14,663,858)
					<u>\$ 74,510,659</u>	<u>\$ 312,787,025</u>

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds Other Govern- mental Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects		
<u>ASSETS</u>						
Cash	\$ 885	\$ 0	\$ 0	\$ 0	\$ 6,000	\$ 6,885
Equity in Pooled Cash and Investments	34,330,325	544,001	20,389,351	120,605,312	262,144	176,131,133
Accounts Receivable	10,686,394	1,725	32,227	0	55,657	10,776,003
Allowance for Uncollectibles	(9,819,186)	0	0	0	0	(9,819,186)
Due from Other Governments	3,809,231	965,627	1,894,923	55,658	62	6,725,501
Due from Other Funds	44,333	834	0	0	0	45,167
Property Taxes Receivable	31,336,252	805,172	21,762,597	7,433,075	0	61,337,096
Allowance for Uncollectible Property Taxes	(450,666)	(11,580)	(288,607)	(131,274)	0	(882,127)
Prepaid Items	98,744	0	0	0	0	98,744
Accrued Interest Receivable	676	0	46,477	0	0	47,153
Notes Receivable - Long-term	800,000	0	0	0	0	800,000
Total Assets	\$ 70,836,988	\$ 2,305,779	\$ 43,836,968	\$ 127,962,771	\$ 323,863	\$ 245,266,369
<u>LIABILITIES</u>						
Accounts Payable	\$ 1,132,119	\$ 84,908	\$ 0	\$ 2,772,291	\$ 24,246	\$ 4,013,564
Accrued Payroll	790,940	70,650	0	0	0	861,590
Payroll Deductions Payable	282,329	18,844	0	0	0	301,173
Contracts Payable	0	0	0	5,262,826	0	5,262,826
Retainage Payable	0	0	0	181,249	0	181,249
Due to Other Funds	704	0	0	0	130	834
Due to State of Tennessee	22,053	0	0	0	0	22,053
Due to Litigants, Heirs, and Others	0	0	0	0	6,080	6,080
Other Current Liabilities	0	0	0	0	3,766	3,766
Total Liabilities	\$ 2,228,145	\$ 174,402	\$ 0	\$ 8,216,366	\$ 34,222	\$ 10,653,135

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 30,452,269	\$ 782,458	\$ 21,221,802	\$ 7,150,272	\$ 0	\$ 59,606,801
Deferred Delinquent Property Taxes	401,262	10,310	233,532	140,319	0	785,423
Other Deferred/Unavailable Revenue	1,102,111	299,237	915,445	0	27,213	2,344,006
Total Deferred Inflows of Resources	<u>\$ 31,955,642</u>	<u>\$ 1,092,005</u>	<u>\$ 22,370,779</u>	<u>\$ 7,290,591</u>	<u>\$ 27,213</u>	<u>\$ 62,736,230</u>
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 98,744	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,744
Restricted:						
Restricted for General Government	281,633	0	0	0	137,962	419,595
Restricted for Finance	119,677	0	0	0	0	119,677
Restricted for Administration of Justice	666,284	0	0	0	0	666,284
Restricted for Public Safety	38,680	0	0	0	124,466	163,146
Restricted for Social, Cultural, and Recreational Services	274,854	0	0	0	0	274,854
Restricted for Highways/Public Works	0	1,039,372	0	0	0	1,039,372
Restricted for Debt Service	0	0	15,570,213	0	0	15,570,213
Restricted for Capital Projects	0	0	0	112,455,814	0	112,455,814
Committed:						
Committed for General Government	9,626,372	0	0	0	0	9,626,372
Committed for Debt Service	0	0	5,895,976	0	0	5,895,976
Assigned:						
Assigned for General Government	5,856,162	0	0	0	0	5,856,162
Assigned for Finance	33,000	0	0	0	0	33,000
Assigned for Public Safety	209,917	0	0	0	0	209,917
Assigned for Public Health and Welfare	8,972	0	0	0	0	8,972

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Other Purposes	\$ 38,357	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,357
Unassigned	19,400,549	0	0	0	0	19,400,549
Total Fund Balances	<u>\$ 36,653,201</u>	<u>\$ 1,039,372</u>	<u>\$ 21,466,189</u>	<u>\$ 112,455,814</u>	<u>\$ 262,428</u>	<u>\$ 171,877,004</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 70,836,988</u>	<u>\$ 2,305,779</u>	<u>\$ 43,836,968</u>	<u>\$ 127,962,771</u>	<u>\$ 323,863</u>	<u>\$ 245,266,369</u>

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

Exhibit C-2

Sumner County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 171,877,004
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 7,163,643	
Add: construction in progress	10,279,749	
Add: buildings and improvements net of accumulated depreciation	41,918,017	
Add: other capital assets net of accumulated depreciation	11,986,208	
Add: infrastructure net of accumulated depreciation	33,535,947	
Add: intangibles net of accumulated depreciation	<u>418,252</u>	105,301,816
(2) An internal service fund is used by management to charge the cost of liability and workers' compensation insurance and employee health and dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		16,549,897
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (205,925,000)	
Less: other deferred revenue - premium on debt	(15,777,818)	
Less: accrued interest on bonds	(678,671)	
Less: compensated absences payable	(1,638,872)	
Add: compensated absences payable in the internal service fund	7,178	
Less: OPEB liability - county insurance plan	(8,696,544)	
Less: OPEB liability - Medicare supplement plan	(1,965,683)	
Add: deferred amount on refunding debt	<u>960,628</u>	(233,714,782)
(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	\$ 6,212,437	
Less: deferred inflows of resources related to pensions	(1,849,751)	
Add: deferred outflows of resources related to OPEB	3,281,646	
Less: deferred inflows of resources related to OPEB	<u>(752,320)</u>	6,892,012
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		4,475,283
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,129,429</u>
Net position of governmental activities (Exhibit A)		<u>\$ 74,510,659</u>

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

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 34,432,849	\$ 3,206,585	\$ 29,712,226	\$ 10,538,739	\$ 267,568	\$ 78,157,967
Licenses and Permits	1,144,305	29,100	0	0	0	1,173,405
Fines, Forfeitures, and Penalties	558,934	0	0	0	16,655	575,589
Charges for Current Services	8,297,348	0	0	0	408,516	8,705,864
Other Local Revenues	3,225,770	147,481	0	3,422,080	10,477	6,805,808
Fees Received From County Officials	10,374,242	0	0	0	0	10,374,242
State of Tennessee	8,865,374	4,685,084	37,022	17,176	0	13,604,656
Federal Government	692,190	2,221	0	119,477	0	813,888
Other Governments and Citizens Groups	332,792	284,100	0	0	0	616,892
Total Revenues	\$ 67,923,804	\$ 8,354,571	\$ 29,749,248	\$ 14,097,472	\$ 703,216	\$ 120,828,311
<u>Expenditures</u>						
Current:						
General Government	\$ 7,560,276	\$ 0	\$ 0	\$ 0	\$ 774,584	\$ 8,334,860
Finance	5,539,830	0	0	0	0	5,539,830
Administration of Justice	5,730,772	0	0	0	11,350	5,742,122
Public Safety	28,074,376	0	0	0	43,641	28,118,017
Public Health and Welfare	12,120,097	0	0	0	0	12,120,097
Social, Cultural, and Recreational Services	2,603,692	0	0	0	0	2,603,692
Agriculture and Natural Resources	522,694	0	0	0	0	522,694
Other Operations	2,379,598	0	0	0	0	2,379,598
Highways	25,935	8,582,128	0	0	0	8,608,063
Debt Service:						
Principal on Debt	0	0	17,725,000	0	0	17,725,000
Interest on Debt	0	0	10,304,266	0	0	10,304,266
Other Debt Service	0	0	494,563	0	0	494,563

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 15,106,142	\$ 0	\$ 15,106,142
Capital Projects - Donated	0	0	0	11,679,500	0	11,679,500
Total Expenditures	<u>\$ 64,557,270</u>	<u>\$ 8,582,128</u>	<u>\$ 28,523,829</u>	<u>\$ 26,785,642</u>	<u>\$ 829,575</u>	<u>\$ 129,278,444</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,366,534</u>	<u>\$ (227,557)</u>	<u>\$ 1,225,419</u>	<u>\$ (12,688,170)</u>	<u>\$ (126,359)</u>	<u>\$ (8,450,133)</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 6,423	\$ 3,000	\$ 0	\$ 0	\$ 0	\$ 9,423
Total Other Financing Sources (Uses)	<u>\$ 6,423</u>	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,423</u>
Net Change in Fund Balances	\$ 3,372,957	\$ (224,557)	\$ 1,225,419	\$ (12,688,170)	\$ (126,359)	\$ (8,440,710)
Fund Balance, July 1, 2019	<u>33,280,244</u>	<u>1,263,929</u>	<u>20,240,770</u>	<u>125,143,984</u>	<u>388,787</u>	<u>180,317,714</u>
Fund Balance, June 30, 2020	<u>\$ 36,653,201</u>	<u>\$ 1,039,372</u>	<u>\$ 21,466,189</u>	<u>\$ 112,455,814</u>	<u>\$ 262,428</u>	<u>\$ 171,877,004</u>

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

Exhibit C-4

Sumner County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds (Exhibit C-3) \$ (8,440,710)

(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	\$ 19,014,522	
Less: current-year depreciation expense	(9,130,683)	
Add: current-year depreciation expense of the internal service fund that is also included in item (6) below	<u>2,526</u>	9,886,365
(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	\$ 493,579	
Less: book value of capital assets disposed	<u>(252,735)</u>	240,844
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$ (2,770,085)	
Add: deferred delinquent property taxes and other deferred June 30, 2020	<u>3,129,429</u>	359,344
(4) The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: change in deferred amount on refunding debt	\$ (587,884)	
Add: change in premium on debt issuances	2,100,660	
Add: principal payments on bonds	<u>17,725,000</u>	19,237,776
(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	\$ 180,018	
Change in compensated absences payable	(314,951)	
Change in compensated absences payable in internal service fund	901	
Change in OPEB liability - county insurance plan	(3,729,626)	
Change in OPEB liability - Medicare supplement plan	(83,353)	
Change in deferred outflows of resources related to pensions	(183,287)	
Change in deferred inflows of resources related to pensions	(497,642)	
Change in deferred outflows of resources related to OPEB	3,008,510	
Change in deferred inflows of resources related to OPEB	23,653	
Change in net pension liability/asset	<u>593,995</u>	(1,001,782)
(6) An internal service fund is used by management to charge the cost of liability and workers' compensation insurance and employee health and dental benefits to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		
		<u>2,893,823</u>

Change in net position of governmental activities (Exhibit B) \$ 23,175,660

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 34,432,849	\$ 0	\$ 0	\$ 34,432,849	\$ 32,660,474	\$ 33,834,862	\$ 597,987
Licenses and Permits	1,144,305	0	0	1,144,305	1,219,716	1,219,716	(75,411)
Fines, Forfeitures, and Penalties	558,934	0	0	558,934	597,906	597,906	(38,972)
Charges for Current Services	8,297,348	0	0	8,297,348	9,240,339	9,309,944	(1,012,596)
Other Local Revenues	3,225,770	0	0	3,225,770	3,470,394	3,503,275	(277,505)
Fees Received From County Officials	10,374,242	0	0	10,374,242	10,037,775	10,037,775	336,467
State of Tennessee	8,865,374	0	0	8,865,374	7,132,382	8,100,351	765,023
Federal Government	692,190	0	0	692,190	342,137	746,941	(54,751)
Other Governments and Citizens Groups	332,792	0	0	332,792	753,928	923,021	(590,229)
Total Revenues	\$ 67,923,804	\$ 0	\$ 0	\$ 67,923,804	\$ 65,455,051	\$ 68,273,791	\$ (349,987)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 287,760	\$ 0	\$ 0	\$ 287,760	\$ 346,037	\$ 349,537	\$ 61,777
Board of Equalization	10,017	0	0	10,017	3,750	10,017	0
Other Boards and Committees	12,508	0	0	12,508	16,000	16,000	3,492
County Mayor/Executive	398,694	0	0	398,694	421,072	478,872	80,178
County Attorney	521,476	0	0	521,476	546,529	546,529	25,053
Election Commission	846,672	0	0	846,672	951,249	1,052,199	205,527
Register of Deeds	747,246	0	0	747,246	867,846	867,846	120,600
Planning	604,845	(23,455)	23,455	604,845	843,568	843,568	238,723
Building	533,552	0	0	533,552	581,849	581,849	48,297
County Buildings	1,980,197	(134,995)	46,486	1,891,688	2,718,149	2,752,432	860,744
Preservation of Records	94,696	0	0	94,696	96,418	96,629	1,933
Risk Management	1,522,613	0	0	1,522,613	1,567,469	1,567,469	44,856
<u>Finance</u>							
Accounting and Budgeting	878,311	(550)	0	877,761	932,998	933,998	56,237
Property Assessor's Office	764,667	0	0	764,667	780,873	780,873	16,206
Reappraisal Program	647,883	0	0	647,883	695,881	695,881	47,998
County Trustee's Office	498,423	0	0	498,423	645,913	645,913	147,490

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Clerk's Office	\$ 1,771,695	\$ 0	\$ 0	\$ 1,771,695	\$ 1,825,151	\$ 1,825,151	\$ 53,456
Data Processing	978,851	0	20,000	998,851	1,208,397	1,209,787	210,936
<u>Administration of Justice</u>							
Circuit Court Clerk	1,848,453	0	0	1,848,453	1,970,031	1,970,031	121,578
General Sessions Court	330,088	0	0	330,088	347,994	347,995	17,907
General Sessions Judge	305,909	0	0	305,909	312,384	312,383	6,474
Drug Court	283,628	0	0	283,628	251,119	356,619	72,991
Chancery Court	734,654	0	0	734,654	795,219	795,219	60,565
Juvenile Court	650,604	0	0	650,604	668,680	668,680	18,076
District Attorney General	75,512	0	0	75,512	96,787	96,787	21,275
Office of Public Defender	0	0	0	0	93,187	93,187	93,187
Judicial Commissioners	670,887	(2,238)	0	668,649	687,612	687,612	18,963
Other Administration of Justice	393,480	0	0	393,480	535,145	543,392	149,912
Probation Services	437,557	0	0	437,557	458,482	458,482	20,925
<u>Public Safety</u>							
Sheriff's Department	12,177,460	(23,829)	33,695	12,187,326	13,573,280	14,869,314	2,681,988
Administration of the Sexual Offender Registry	18,547	0	0	18,547	18,805	24,668	6,121
Jail	11,216,324	(780)	5,412	11,220,956	11,797,439	12,956,901	1,735,945
Juvenile Services	717,904	0	0	717,904	752,138	752,138	34,234
Fire Prevention and Control	2,000	0	0	2,000	2,000	2,000	0
Rural Fire Protection	437,721	0	0	437,721	450,000	450,000	12,279
Other Emergency Management	436,657	0	1,588	438,245	341,960	606,242	167,997
County Coroner/Medical Examiner	123,834	0	0	123,834	123,071	123,834	0
Other Public Safety	2,943,929	0	39,736	2,983,665	3,778,904	3,778,904	795,239
<u>Public Health and Welfare</u>							
Local Health Center	1,628,508	0	0	1,628,508	1,882,426	1,902,426	273,918
Ambulance/Emergency Medical Services	10,171,316	(6,890)	8,972	10,173,398	10,306,513	10,380,770	207,372
Appropriation to State	213,181	0	0	213,181	215,225	215,225	2,044
General Welfare Assistance	7,692	0	0	7,692	11,000	11,000	3,308

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Other Public Health and Welfare	\$ 99,400	\$ 0	\$ 0	\$ 99,400	\$ 0	\$ 155,000	\$ 55,600
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	293,782	0	0	293,782	290,500	293,782	0
Libraries	2,309,910	(2,391)	0	2,307,519	2,391,557	2,411,114	103,595
Other Social, Cultural, and Recreational	0	0	0	0	621,485	621,485	621,485
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	461,079	0	0	461,079	503,978	503,978	42,899
Soil Conservation	61,615	0	0	61,615	63,194	63,194	1,579
<u>Other Operations</u>							
Tourism	739,744	0	0	739,744	739,744	739,744	0
Industrial Development	100,000	0	0	100,000	100,000	100,000	0
Veterans' Services	115,231	0	0	115,231	111,434	125,040	9,809
Other Charges	948,104	0	0	948,104	974,611	998,099	49,995
Contributions to Other Agencies	250,032	0	0	250,032	288,268	297,201	47,169
Employee Benefits	90,200	0	0	90,200	118,500	104,894	14,694
COVID-19 Grant #1	55,766	0	38,357	94,123	0	253,678	159,555
Miscellaneous	80,521	0	0	80,521	168,993	168,993	88,472
<u>Highways</u>							
Traffic Control	25,935	0	0	25,935	8,000	32,786	6,851
<u>Capital Projects</u>							
Social, Cultural, and Recreation Projects	0	0	0	0	0	21,995	21,995
Total Expenditures	\$ 64,557,270	\$ (195,128)	\$ 217,701	\$ 64,579,843	\$ 70,898,814	\$ 74,549,342	\$ 9,969,499
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,366,534	\$ 195,128	\$ (217,701)	\$ 3,343,961	\$ (5,443,763)	\$ (6,275,551)	\$ 9,619,512
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 6,423	\$ 0	\$ 0	\$ 6,423	\$ 0	\$ 6,422	\$ 1
Total Other Financing Sources	\$ 6,423	\$ 0	\$ 0	\$ 6,423	\$ 0	\$ 6,422	\$ 1

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 3,372,957	\$ 195,128	\$ (217,701)	\$ 3,350,384	\$ (5,443,763)	\$ (6,269,129)	\$ 9,619,513
Fund Balance, July 1, 2019	33,280,244	(195,128)	0	33,085,116	32,597,480	32,597,480	487,636
Fund Balance, June 30, 2020	<u>\$ 36,653,201</u>	<u>\$ 0</u>	<u>\$ (217,701)</u>	<u>\$ 36,435,500</u>	<u>\$ 27,153,717</u>	<u>\$ 26,328,351</u>	<u>\$ 10,107,149</u>

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,206,585	\$ 3,157,623	\$ 3,153,718	\$ 52,867
Licenses and Permits	29,100	2,000	25,000	4,100
Other Local Revenues	147,481	113,000	158,169	(10,688)
State of Tennessee	4,685,084	5,241,342	4,548,432	136,652
Federal Government	2,221	0	0	2,221
Other Governments and Citizens Groups	284,100	125,000	284,000	100
Total Revenues	<u>\$ 8,354,571</u>	<u>\$ 8,638,965</u>	<u>\$ 8,169,319</u>	<u>\$ 185,252</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 301,899	\$ 325,763	\$ 309,437	\$ 7,538
Highway and Bridge Maintenance	4,991,076	5,659,407	5,212,237	221,161
Operation and Maintenance of Equipment	886,446	1,075,975	973,025	86,579
Quarry Operations	21,169	38,320	21,539	370
Litter and Trash Collection	76,858	83,900	84,000	7,142
Other Charges	535,236	491,146	541,605	6,369
Employee Benefits	1,245,410	1,275,723	1,275,942	30,532
Capital Outlay	524,034	732,500	526,047	2,013
Total Expenditures	<u>\$ 8,582,128</u>	<u>\$ 9,682,734</u>	<u>\$ 8,943,832</u>	<u>\$ 361,704</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (227,557)</u>	<u>\$ (1,043,769)</u>	<u>\$ (774,513)</u>	<u>\$ 546,956</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 3,000	\$ 0	\$ 0	\$ 3,000
Total Other Financing Sources	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,000</u>
Net Change in Fund Balance	\$ (224,557)	\$ (1,043,769)	\$ (774,513)	\$ 549,956
Fund Balance, July 1, 2019	<u>1,263,929</u>	<u>1,263,898</u>	<u>1,263,898</u>	<u>31</u>
Fund Balance, June 30, 2020	<u><u>\$ 1,039,372</u></u>	<u><u>\$ 220,129</u></u>	<u><u>\$ 489,385</u></u>	<u><u>\$ 549,987</u></u>

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

Exhibit D-1

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

	Governmental Activities - Internal Service Fund
	Self- Insurance Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 19,285,360
Prepaid Items	901
Accrued Interest Receivable	792
Total Current Assets	<u>\$ 19,287,053</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 415,841
Accrued Leave - Current	7,178
Claims and Judgments Payable	1,966,294
Due to Other Funds	850
Total Current Liabilities	<u>\$ 2,390,163</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	<u>\$ 346,993</u>
Total Noncurrent Liabilities	<u>\$ 346,993</u>
Total Liabilities	<u>\$ 2,737,156</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 16,549,897</u>
Total Net Position	<u><u>\$ 16,549,897</u></u>

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

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

	Governmental Activities - Internal Service Fund
	<u>Self- Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 13,624,524
Other Local Revenues	69,366
Total Operating Revenues	<u>\$ 13,693,890</u>
<u>Operating Expenses</u>	
<u>Risk Management:</u>	
Supervisor/Director	\$ 64,902
Clerical Personnel	29,539
Longevity Pay	2,475
Social Security	5,491
Pensions	10,577
Life Insurance	183
Medical Insurance	22,557
Dental Insurance	708
Employer Medicare	1,275
Communication	1,195
Consultants	19,200
Data Processing Services	301
Dues and Memberships	515
Maintenance Agreements	850
Postal Charges	580
Printing, Stationery, and Forms	300
Travel	472
Maintenance and Repair Services - Records	180
Other Contracted Services	360
Data Processing Supplies	615
Drugs and Medical Supplies	260
Food Supplies	290
Office Supplies	411
Excess Risk Insurance	2,161
Liability Claims	1,762,905
Other Self-insured Claims	939,233
In Service/Staff Development	165
Furniture and Fixtures	150
<u>Other Operations:</u>	
Handling Charges and Administrative Costs	307,217
Consultants	27,900
Medical Claims	6,966,919
Depreciation	2,526
Other Self-insured Claims	269,436

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

	Governmental Activities - Internal Service Fund
	Self- Insurance Fund
<u>Operating Expenses (Cont.)</u>	
<u>Other Operations (Cont.)</u>	
Fines, Assessments, and Penalties	\$ 3,615
Specialized Medical Treatment	454,248
Total Operating Expenses	<u>\$ 10,899,711</u>
Operating Income (Loss)	<u>\$ 2,794,179</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 51,507
Insurance Recovery	48,137
Total Nonoperating Revenues (Expenses)	<u>\$ 99,644</u>
Change in Net Position	\$ 2,893,823
Net Position, July 1, 2019	<u>13,656,074</u>
Net Position, June 30, 2020	<u><u>\$ 16,549,897</u></u>

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

Exhibit D-3

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

	Governmental Activities - Internal Service Fund Self Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 13,696,825
Payments to Suppliers	(119,583)
Claims Paid	(10,476,331)
Payments of Taxes, Duties, Fines, Fees, and Penalties	(3,615)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,097,296</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 51,507
Net Cash Provided By (Used In) Investing Activities	<u>\$ 51,507</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Insurance Recovery	\$ 48,137
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>\$ 48,137</u>
Net Increase (Decrease) In Cash	\$ 3,196,940
Cash, July 1, 2019	<u>16,088,420</u>
Cash, June 30, 2020	<u><u>\$ 19,285,360</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 2,794,179
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	2,526
Change in Assets and Liabilities:	
(Increase) Decrease in Prepaids	(901)
(Increase) Decrease in Accrued Interest Receivable	3,836
Increase (Decrease) in Accounts Payable	379,495
Increase (Decrease) in Accrued Leave	901
Increase (Decrease) in Due to Other Funds	850
Increase (Decrease) in Claims and Judgments Payable	<u>(83,590)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 3,097,296</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 15,020,283
Equity in Pooled Cash and Investments	233,397
Accounts Receivable	154,653
Due from Other Governments	<u>5,059,826</u>
Total Assets	<u><u>\$ 20,468,159</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 134,567
Due to Other Funds	43,483
Due to State of Tennessee	2,286
Due to Other Taxing Units	5,054,409
Due to Litigants, Heirs, and Others	15,048,868
Due to Joint Ventures	<u>184,546</u>
Total Liabilities	<u><u>\$ 20,468,159</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sumner 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 Sumner County:

A. Reporting Entity

Sumner County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Sumner County (the primary government) and its component units. The financial statements of the Sumner County Emergency Communications District, Music City Executive Airport Authority (formerly the Sumner County Regional Airport Authority), and the Resource Authority in Sumner County, Tennessee, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their 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 Sumner County School Department operates the public school system in the county, and the voters of Sumner 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 Sumner County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sumner County, and the Sumner County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Sumner County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Music City Executive Airport Authority operates the county's airport facility. The authority is funded primarily through federal and state grants and leasing fees. Before the issuance of most debt instruments, the authority must obtain the county commission's approval. The financial statements of the Music City Executive Airport Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Resource Authority in Sumner County, Tennessee, provides a solid waste energy recovery plant on behalf of the residents of the county and the cities of Gallatin and Hendersonville. The authority is funded primarily through tipping fees and contributions from the county. Based on GASB Statement No. 61, the authority does not qualify as a discretely presented component unit of the county; however, management has determined it would be misleading to exclude the authority. The financial statements of the Resource Authority in Sumner County, Tennessee, were not material to the component units' opinion unit and therefore have been omitted from this report.

The Sumner County Convention and Visitors Bureau was established to advance economic, civic, and general interests related to tourism in Sumner County. The operations of the Sumner County Convention and Visitors Bureau are not considered material to the component units' opinion unit and Sumner County has not required the Sumner County Convention and Visitors Bureau to have audited financial statements.

The Sumner 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. Although required by GAAP, the financial statements of the Music City Executive Airport Authority and the Sumner County Convention and Visitors Bureau were not available for inclusion, as previously mentioned. Complete financial statements of the Sumner County Emergency Communications District, the Music City Executive Airport Authority, The Resource Authority in Sumner County, Tennessee, and the Sumner County Convention and Visitors Bureau can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Sumner County Emergency Communications District
255 Airport Road
Gallatin, TN 37066

Music City Executive Airport Authority
1475 Airport Road
Gallatin, TN 37066

The Resource Authority in Sumner County, Tennessee
625 Rappahannock Wire Road
Gallatin, TN 37066

Sumner County Convention and Visitors Bureau
2310 Nashville Pike
Gallatin, TN 37066

Related Organizations – The Industrial Development Board of Sumner County, the Health Board of Sumner County, the Health and Educational Facilities Board of Sumner County, and the Health and Safety Standards Board of Sumner County are related organizations of Sumner County. The Sumner County Commission’s Committee on Committees nominates, and the Sumner County Commission confirms the board members, but the county’s accountability for these organizations does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Sumner County issues all debt for the discretely presented Sumner County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2020.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Sumner 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. Sumner 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, the proprietary fund, 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. Sumner County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of

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

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

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Sumner County reports the following major governmental funds:

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

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

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.

General Capital Projects Fund – This fund accounts for general capital expenditures of the county and the Sumner County School Department.

Additionally, Sumner County reports the following fund types:

Internal Service Fund – The Self-Insurance Fund is used to account for the county’s self-insured liability insurance, health, dental, and workers’ compensation programs. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of claims.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes

received by the state to be forwarded to the various cities in Sumner County, state grants and other restricted revenues held for the benefit of the judicial district drug task force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Sumner County School Department reports the following major governmental fund:

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

Additionally, the Sumner County School Department reports the following fund types:

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

Internal Service Fund – The Employee Insurance Fund is used to account for the discretely presented Sumner County School Department's self-insured health and prescription drug plans. Premiums charged to the various school funds and employee payroll deductions are placed in this fund for the payment of claims.

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 government has two proprietary funds, internal service funds, used to account for the county's self-insured liability, health, dental, and occupational compensation programs and the school department's self-insured health and prescription drug plans. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for the internal service funds 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 consists of 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 Sumner County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General and General Capital Projects funds. Sumner County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Sumner County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

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

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for

uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with the discretely presented school department for cafeteria deposits for students (\$362,957). Claims and judgments payable in the primary government's Self-Insurance Fund and the discretely presented school department's Employee Insurance Fund are discussed in Note V.A. Risk Management.

Retainage payable in the General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects.

3. Prepaid Items

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 Sumner 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 Sumner County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Sumner 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 \$7,500 or more and an estimated useful life of more than one year. 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	10 - 30
Other Capital Assets	5 - 10
Intangible Assets	4 - 20
Infrastructure	10 - 40

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 for deferred charge on refunding, pension changes in experience, pension changes in assumptions, pension changes in

proportionate share of contributions, employer contributions made to the pension plan after the measurement date, OPEB changes in experience, OPEB changes in assumptions, OPEB changes in proportion, and OPEB benefits paid after the measurement date.

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

7. Compensated Absences

It is the primary government and the discretely presented school department's policies to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the primary government and the school department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the primary government and the school department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

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 claims and judgments are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

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

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

As of June 30, 2020, Sumner County had \$192,658,650 in outstanding debt for capital purposes for the discretely presented Sumner County School Department. This debt is a liability of Sumner County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Sumner County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

These classifications may consist of the following:

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner. Committed for fund balance in the General Purpose School Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2021, totaling \$21,795,013.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget Committee to make assignments for the general government. Assigned fund balance in the General Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2021, totaling \$5,856,162.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification

represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

10. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists:

The General Fund's unassigned budgetary fund balances shall, at a minimum, be 16.67 percent of the General Fund's appropriations (approximately two months of operating costs).

11. Prior-period Adjustment

Other postemployment benefits (OPEB) of the Tennessee Plan – Medicare (TNM) Plan for the discretely presented Sumner County School Department were restated \$14,663,858 from the prior year. The actuary was provided incorrect information related to the school department's direct subsidy for retirees' premiums in the prior year.

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

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

Discretely Presented Sumner 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 Sumner 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 government-wide Statement of Net Position.

Discretely Presented Sumner 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 Sumner 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

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees fund (special revenue fund), which is not budgeted. 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, Other Boards and Committees, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2020, Sumner County and the Sumner County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 217,701
General Debt Service	2,500
General Capital Projects	100,001,458
Nonmajor Funds:	
Courthouse and Jail Maintenance	140
Drug Control	33,522
School Department:	
Major Fund:	
General Purpose School	1,281,919
Nonmajor Fund:	
School Federal Projects	33,709

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

Investment Balances. As of June 30, 2020, Sumner County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the State Treasurer's Investment Pool. Separate disclosures concerning pooled investments cannot be made for Sumner County and the discretely presented Sumner County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
State Treasurer's Investment Pool	1 to 105 days	N/A	\$ 2,794,172

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Sumner County has no investment policy that would further limit its investment choices. As of June 30, 2020, Sumner County's investment in the State Treasurer's Investment Pool was unrated.

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

TCRS Stabilization Trust

Legal Provisions. The Sumner 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 Sumner County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined

daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.

- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

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

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

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

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

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

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

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

At June 30, 2020, the Sumner County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 347,466
Developed Market International Equity	N/A	N/A	156,921
Emerging Market International Equity	N/A	N/A	44,835
U.S. Fixed Income	N/A	N/A	224,173
Real Estate	N/A	N/A	112,086
Short-term Securities	N/A	N/A	11,209
NAV - Private Equity and Strategic Lending	N/A	N/A	224,173
Total			<u>\$ 1,120,863</u>

Fair Value Measurements Using					
Investment by Fair Value Level	Fair Value 6-30-20	Quoted Prices in Active Markets for Identical Assets (Level 1)			NAV
		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 347,466	\$ 347,466	\$ 0	\$ 0	0
Developed Market International Equity	156,921	156,921	0	0	0
Emerging Market International Equity	44,835	44,835	0	0	0
U.S. Fixed Income	224,173	0	224,173	0	0
Real Estate	112,086	0	0	112,086	0
Short-term Securities	11,209	0	11,209	0	0
Private Equity and Strategic Lending	224,173	0	0	0	224,173
Total	<u>\$ 1,120,863</u>	<u>\$ 549,222</u>	<u>\$ 235,382</u>	<u>\$ 112,086</u>	<u>\$ 224,173</u>

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sumner County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Sumner County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Sumner County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Sumner County School Department to pay retirement benefits of the school department employees.

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

B. Notes Receivable

The General Fund had a long-term note receivable of \$800,000 on June 30, 2020, from financing airport construction projects for the discretely presented Music City Executive Airport Authority (formerly Sumner County Regional Airport Authority), and this note is included in the committed fund balance account.

C. Capital Assets

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

Primary Government (includes Internal Service Fund)

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 4,708,116	\$ 2,521,027	\$ (65,500)	\$ 7,163,643
Construction in Progress	6,753,541	8,071,572	(4,545,364)	10,279,749
Total Capital Assets Not Depreciated	<u>\$ 11,461,657</u>	<u>\$ 10,592,599</u>	<u>\$ (4,610,864)</u>	<u>\$ 17,443,392</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 76,102,423	\$ 5,537,085	\$ (450,100)	\$ 81,189,408
Other Capital Assets	25,983,844	4,641,170	(1,769,480)	28,855,534
Infrastructure	74,977,226	3,282,611	(2,187,638)	76,072,199
Intangibles	1,171,250	0	0	1,171,250
Total Capital Assets Depreciated	<u>\$ 178,234,743</u>	<u>\$ 13,460,866</u>	<u>\$ (4,407,218)</u>	<u>\$ 187,288,391</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 36,437,875	\$ 3,215,563	\$ (382,047)	\$ 39,271,391
Other Capital Assets	16,445,179	2,074,516	(1,650,369)	16,869,326
Infrastructure	40,924,839	3,798,980	(2,187,567)	42,536,252
Intangibles	711,374	41,624	0	752,998
Total Accumulated Depreciation	<u>\$ 94,519,267</u>	<u>\$ 9,130,683</u>	<u>\$ (4,219,983)</u>	<u>\$ 99,429,967</u>
Total Capital Assets Depreciated, Net	<u>\$ 83,715,476</u>	<u>\$ 4,330,183</u>	<u>\$ (187,235)</u>	<u>\$ 87,858,424</u>
Governmental Activities Capital Assets, Net	<u>\$ 95,177,133</u>	<u>\$ 14,922,782</u>	<u>\$ (4,798,099)</u>	<u>\$ 105,301,816</u>

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

Governmental Activities:

General Government	\$	335,342
Finance		169,797
Administration of Justice		229,229
Public Safety		2,409,615
Public Health and Welfare		929,560
Social, Cultural, and Recreational Services		781,543
Agriculture and Natural Resources		3,009
Highway/Public Works		<u>4,272,588</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>9,130,683</u></u>

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

	Balance 7-1-19		Increases		Decreases		Balance 6-30-20
Capital Assets Not Depreciated:							
Land	\$	11,726,831	\$	1,021,377	\$	0	\$ 12,748,208
Construction in Progress		<u>34,677,211</u>		<u>8,881,286</u>		<u>(29,048,477)</u>	<u>14,510,020</u>
Total Capital Assets Not Depreciated	\$	<u>46,404,042</u>	\$	<u>9,902,663</u>	\$	<u>(29,048,477)</u>	<u>\$ 27,258,228</u>
Capital Assets Depreciated:							
Buildings and Improvements	\$	444,673,134	\$	31,120,027	\$	(74,114)	\$ 475,719,047
Other Capital Assets		<u>39,316,929</u>		<u>2,671,591</u>		<u>(336,669)</u>	<u>41,651,851</u>
Total Capital Assets Depreciated	\$	<u>483,990,063</u>	\$	<u>33,791,618</u>	\$	<u>(410,783)</u>	<u>\$ 517,370,898</u>
Less Accumulated Depreciated For:							
Buildings and Improvements	\$	254,633,727	\$	16,891,597	\$	(74,114)	\$ 271,451,210
Other Capital Assets		<u>25,468,736</u>		<u>3,058,105</u>		<u>(325,955)</u>	<u>28,200,886</u>
Total Accumulated Depreciation	\$	<u>280,102,463</u>	\$	<u>19,949,702</u>	\$	<u>(400,069)</u>	<u>\$ 299,652,096</u>
Total Capital Assets Depreciated, Net	\$	<u>203,887,600</u>	\$	<u>13,841,916</u>	\$	<u>(10,714)</u>	<u>\$ 217,718,802</u>
Governmental Activities Capital Assets, Net	\$	<u><u>250,291,642</u></u>	\$	<u><u>23,744,579</u></u>	\$	<u><u>(29,059,191)</u></u>	<u><u>\$ 244,977,030</u></u>

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

Governmental Activities:

Support Services	\$ 19,949,290
Operation of Non-instructional Services	<u>412</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 19,949,702</u></u>

D. Construction Commitments

At June 30, 2020, the General Capital Projects Fund had uncompleted construction contracts of \$90,077,987 for multiple school renovations and additions. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Agency	\$ 43,483
"	Internal Service	850
Highway/Public Works	General	704
"	Nonmajor governmental	130
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	12,707

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.

Interfund Transfers:

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

Discretely Presented Sumner County School Department

Transfers Out	Transfers In	
	General Purpose School	Purpose
Nonmajor governmental fund	\$ 141,691	Indirect costs
Total	\$ 141,691	

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.

F. Long-term Debt

Primary Government

General Obligation Bonds

General Obligation Bonds - Sumner County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	1.5 to 5 %	12-1-38	\$ 194,815,000	\$ 168,885,000
General Obligation Bonds - School Refunding	2.86	6-1-23	112,210,000	37,040,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 19,840,000	\$ 8,144,037	\$ 27,984,037
2022	20,730,000	7,161,637	27,891,637
2023	21,650,000	6,193,514	27,843,514
2024	16,665,000	5,087,762	21,752,762
2025	6,995,000	4,596,262	11,591,262
2026-2030	40,450,000	17,755,311	58,205,311
2031-2035	49,135,000	9,204,219	58,339,219
2036-2039	30,460,000	1,994,472	32,454,472
Total	<u>\$ 205,925,000</u>	<u>\$ 60,137,214</u>	<u>\$ 266,062,214</u>

There is \$21,466,189 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,282 based on the 2010 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled \$1,380 based on the 2010 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds
Balance, July 1, 2019	\$ 223,650,000
Reductions	<u>(17,725,000)</u>
Balance, June 30, 2020	<u>\$ 205,925,000</u>
Balance Due Within One Year	<u>\$ 19,840,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 205,925,000
Less: Balance Due Within One Year - Debt	(19,840,000)
Add: Unamortized Premium on Debt	<u>15,777,818</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 201,862,818</u>

G. Long-term Obligations

Changes in Long-term Obligations

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

	Compensated Absences	Internal Service Fund Claims and Judgments
Balance, July 1, 2019	\$ 1,323,921	\$ 2,396,877
Additions	2,439,760	10,392,741
Reductions	(2,124,809)	(10,476,331)
Balance, June 30, 2020	<u>\$ 1,638,872</u>	<u>\$ 2,313,287</u>
Balance Due Within One Year	<u>\$ 1,638,872</u>	<u>\$ 1,966,294</u>
	Other Postemployment Benefits - County Insurance Plan	Other Postemployment Benefits - Medicare Supplement Plan
Balance, July 1, 2019	\$ 4,966,918	\$ 1,882,330
Additions	3,835,526	190,817
Reductions	(105,900)	(107,464)
Balance, June 30, 2020	<u>\$ 8,696,544</u>	<u>\$ 1,965,683</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 14,614,386
Less: Due Within One Year - Other	<u>(3,605,166)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 11,009,220</u>

The internal service fund primarily serves the governmental funds. Accordingly, long-term obligations for the internal service fund are included as part of the above totals for governmental activities. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Sumner County School Department

Changes in Long-term Obligations

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

Governmental Activities:

		Internal Service Fund
	Compensated Absences	Claims and Judgments
Balance, July 1, 2019	\$ 2,349,696	\$ 4,952,186
Additions	1,674,036	42,192,645
Reductions	(1,227,694)	(43,998,406)
	<hr/>	<hr/>
Balance, June 30, 2020	\$ 2,796,038	\$ 3,146,425
	<hr/>	<hr/>
Balance Due Within One Year	\$ 419,405	\$ 0
	<hr/>	<hr/>
	Other Postemployment Benefits - School Insurance Plan	Other Postemployment Benefits - Medicare Supplement Plan
Balance, July 1, 2019	\$ 44,602,978	\$ 0
Additions	15,669,016	7,316,723
Reductions	(2,339,511)	(1,863,433)
	<hr/>	<hr/>
Balance, June 30, 2020	\$ 57,932,483	\$ 5,453,290
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 0
	<hr/>	<hr/>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2020	\$ 69,328,236
Less: Due Within One Year - Other	<hr/> (419,405)
Noncurrent Liabilities - Due in More Than One Year -Other - Exhibit A	<hr/> \$ 68,908,831 <hr/>

The internal service fund primarily serves the governmental funds. Accordingly, long-term obligations for the internal service fund are included as part of the above totals for governmental activities. Compensated absences and other postemployment benefits will be paid from the General Purpose School and School Federal Projects funds.

H. Pledges of Receivables and Future Revenues

The Sumner County Commission and the City of Hendersonville permitted the Industrial Development Board of the City of Hendersonville, Tennessee, to pledge all tax incremental financing (TIF) revenues based on an Economic Impact Plan for the Indian Lake Village Economic Development Area for up to 30 years. These revenues were pledged for the payment of \$15,000,000 of adjustable rate tax-exempt increment bonds (Series 2007A) and \$3,000,000 of adjustable rate taxable increment bonds (Series 2007B) and other debt related costs. The two series of bonds were issued on March 29, 2007, with final maturities on May 1, 2036. These bonds were to complete the “project,” which consisted of a four-lane divided median east/west connector road running parallel to Vietnam Veterans Parkway between Saundersville Road and Indian Lake Boulevard in Hendersonville, including water, sewer, electric and storm sewer utilities that are included as part of the road construction, a bridge across Drakes Creek in Hendersonville, as a continuation of the connector road, and a public park consisting of approximately 22 acres, of which four acres will be dedicated to the new Hendersonville Public Library. Additionally, these bond proceeds were also used to pay for certain costs of issuance in connection with the bonds and the payment of certain capitalized interest costs of the bonds. In addition to the bonds, these transactions also encompassed two irrevocable letters of credit, two interest rate swaps, and various other contractual agreements.

On April 29, 2016, these bonds were refinanced with a promissory note of \$11,400,000. The note’s terms are a fixed interest rate of 2.98 percent over an 84-month period with annual payments of \$1,806,347. The note also contains the provisions that a minimum balance of \$500,000 will be held by the lender as a debt service reserve and any additional tax increment revenues shall be paid to the lender and applied to reduce the principal. On April 29, 2020, the final principal payment was paid reducing the principal balance of the promissory note as of June 30, 2020 to \$0.

Sumner County is not liable for the note. Sumner County’s only responsibility under the agreement is to collect and remit all tax incremental financing revenues to the Industrial Development Board. Additional information about the debt and related financing agreements can be obtained from the Industrial Development Board of the City of Hendersonville, Tennessee, located at 101 Maple Drive North, Hendersonville, Tennessee.

I. On-Behalf Payments

Discretely Presented Sumner County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sumner County School Department. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the

Medicare Supplement Plan for the year ended June 30, 2020, were \$181,791. The school department has recognized these on-behalf payments as revenues and expenditures in the Employee Insurance Fund.

V. OTHER INFORMATION

A. Risk Management

The county has chosen to establish the Self-Insurance Fund for risks associated with employees' health and dental insurance plans, occupational compensation plan, and liability claims. The Self-Insurance Fund is accounted for as an Internal Service Fund in which assets are set aside for claim settlements. The county retains the risk of loss for all medical claims. The county retains the risk of loss to a limit of \$350,000 maximum tort liability, plus property damage. Claims in excess of this limit are covered by an insurance policy up to a limit of \$5,000,000 per specific claim.

All full-time employees of the primary government are eligible to participate in employee health and dental insurance. All employees of the primary government are covered under the occupational compensation plan and liability coverage. A premium charge 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. 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 Self-Insurance 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 revenues, 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:

Self-Insurance Fund

Fiscal Year		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2018-19	\$	2,205,644	\$	10,121,846	\$	(9,930,613)	\$	2,396,877
2019-20		2,396,877		10,392,741		(10,476,331)		2,313,287

The discretely presented Sumner County School Department has chosen to establish the Employee Insurance Fund for risks associated with certified employees' health and prescription drug insurance plans. The Employee Insurance Fund is accounted for as an Internal Service Fund in which assets

are set aside for claim settlements. The school department retains the risk of loss to a limit of \$200,000 per specific loss during the coverage period. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability up to a limit of \$1,000,000 per participant during the coverage period.

All full-time certified employees of the discretely presented Sumner County School Department are eligible to participate in employee health and prescription drug plans. A premium charge is allocated to each fund that accounts for full-time certified employees. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims. 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 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 incremental claim adjustment expenditures/expenses, if any. In addition, estimated revenues, 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 Fund

Fiscal Year	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2018-19	\$ 4,434,725	\$ 42,869,294	\$ (42,351,833)	\$ 4,952,186
2019-20	4,952,186	42,192,645	(43,998,406)	3,146,425

B. Contingent Liabilities

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

The discretely presented school department is involved in several pending lawsuits. School department attorneys estimate that the potential claims against the school department not covered by insurance resulting from such litigation would not materially affect the county’s financial statements.

C. Joint Ventures

The Eighteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighteenth Judicial District, Sumner County, and various cities within

the county. 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, sheriff, and police chiefs of participating law enforcement agencies within each judicial district.

The Sumner County Emergency Communications Center (ECC) is a joint venture formed by an interlocal agreement between Sumner County, the Sumner County Emergency Communication District, and the Cities of Hendersonville, Gallatin, Portland, Millersville, and Westmoreland. The purpose of the ECC is to create and operate unified dispatch services in order to consolidate the efforts, information, experience, training, and resources of the individual organizations to increase effectiveness, share resources, and avoid duplication of effort in provision of E911 and dispatch services throughout the Sumner County area. The ECC is overseen by the executive committee and operations committee, as defined within the agreement. Sumner County is responsible for 32 percent of the operational expenses related to the ECC. For the year ended June 30, 2020, Sumner County incurred total expenses of \$3,001,807.

Sumner County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Eighteenth Judicial District Drug Task Force
Cordell Hull Building – Third Floor
113 West Main Street
Gallatin, Tennessee 37066

Sumner County Emergency Communications Center
c/o Sumner County Finance Office
355 North Belvedere Drive, Room 302
Gallatin, Tennessee 37066

D. Jointly Governed Organization

The county and the Cities of Gallatin, Hendersonville, Millersville, Portland, Westmoreland, White House, and Goodlettsville jointly appoint the 20-member board of the Joint Economic Development Board of Sumner County. The board is designed to promote economic and community development in the county and related cities. The county and the cities do not have any ongoing financial interest or responsibility for this entity.

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Sumner County and non-certified employees of the discretely presented Sumner County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 51.85 percent, the non-certified employees of the discretely presented school department comprise 48.15 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	1,099
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	1,495
Active Employees	2,225
Total	<u><u>4,819</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Sumner County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Sumner County was \$7,191,068 based on a rate of eleven percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Sumner 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)

Sumner County's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 191,134,794	\$ 198,424,967	\$ (7,290,173)
Changes for the Year:			
Service Cost	\$ 5,098,839	\$ 0	\$ 5,098,839
Interest	13,950,818	0	13,950,818
Differences Between Expected and Actual Experience	1,706,565	0	1,706,565
Contributions-Employer	0	7,530,611	(7,530,611)
Contributions-Employees	0	683	(683)
Net Investment Income	0	14,764,084	(14,764,084)
Benefit Payments, Including Refunds of Employee Contributions	(7,617,126)	(7,617,126)	0
Administrative Expense	0	(198,119)	198,119
Net Changes	\$ 13,139,096	\$ 14,480,133	\$ (1,341,037)
Balance, June 30, 2019	\$ 204,273,890	\$ 212,905,100	\$ (8,631,210)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 51.85%	\$ 105,916,012	\$ 110,391,295	\$ (4,475,283)
School Department 48.15%	98,357,878	102,513,805	(4,155,927)
Total	\$ 204,273,890	\$ 212,905,100	\$ (8,631,210)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Sumner 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%) or one percentage point higher (8.25%) than the current rate:

	1%	Current Discount Rate	1%
	Decrease		Increase
	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 18,923,756 \$ (8,631,210) \$ (31,491,247)

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

Pension Expense. For the year ended June 30, 2020, Sumner County recognized pension expense of \$6,979,059.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Sumner 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	\$ 2,898,872	\$ 1,109,890
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,457,614
Changes in Assumptions	2,010,824	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	7,191,068	N/A
Total	<u>\$ 12,100,764</u>	<u>\$ 3,567,504</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 6,212,437	\$ 1,849,751
School Department	5,888,327	1,717,753
Total	<u>\$ 12,100,764</u>	<u>\$ 3,567,504</u>

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

Year Ending June 30	Amount
2021	\$ 901,296
2022	(625,517)
2023	350,396
2024	431,589
2025	284,428
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2020, Sumner County reported a payable of \$301,173 and the discretely presented Sumner County School Department reported a payable of \$486,411 for the outstanding amount of contributions due to the pension plan at year end.

Discretely Presented Sumner County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Sumner County and non-certified employees of the discretely presented Sumner County School Department are provided

a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 51.85 percent and the non-certified employees of the discretely presented school department comprise 48.15 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants

retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$602,114, which is 2.03 percent of covered payroll. In addition, employer contributions of \$571,574, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$1,291,211) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the

contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was 2.287409 percent. The proportion as of June 30, 2018, was 2.172593 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$406,697.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 53,539	\$ 225,409
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	0	54,590
Changes in Assumptions	44,863	0
Changes in Proportion of Net Pension Liability (Asset)	63,952	52,405
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	602,114	N/A
Total	<u>\$ 764,468</u>	<u>\$ 332,404</u>

(1) The school department's employer contributions of \$602,114, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (25,899)
2022	(34,251)
2023	(18,939)
2024	(11,132)
2025	(8,907)
Thereafter	(70,922)

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 409,106 \$ (1,291,211) \$ (2,548,061)

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

Payable to the Pension Plan

At June 30, 2020, the discretely presented Sumner County School Department reported a payable of \$362,722 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or

after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Sumner County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$10,179,798, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$28,575,564) for its proportionate share

of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was 2.779237 percent. The proportion measured at June 30, 2018, was 2.708316 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$3,937,559.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,391,271	\$ 17,454,522
Changes in Assumptions	3,850,704	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	8,164,589
Changes in Proportion of Net Pension Liability (Asset)	290,460	224,496
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	10,179,798	N/A
Total	<u>\$ 15,712,233</u>	<u>\$ 25,843,607</u>

- (1) The school department's employer contributions of \$10,179,798 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (5,706,521)
2022	(8,238,266)
2023	(3,644,586)
2024	(2,721,799)
2025	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

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

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

percentage point lower (6.25%) or one percentage point higher (8.25%) 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) \$ 58,428,772 \$ (28,575,564) \$ (97,785,101)

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

Payable to the Pension Plan

At June 30, 2020, the discretely presented Sumner County School Department reported a payable of \$2,465,723 for the outstanding amount of contributions due to the pension plan at year end.

2. Deferred Compensation

Primary Government

Sumner County offers its employees a deferred compensation plan 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 establishes participation, contribution, and withdrawal provisions for the plans.

Discretely Presented Sumner County School Department

The Sumner County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and the Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a

defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$1,483,558 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

Sumner County and the discretely presented Sumner County School Department provide OPEB benefits to their retirees through self-insured plans and state administered public entity risk pools. For reporting purposes, the plans are considered single-employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). 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 Plans

Primary Government

Plan Description. Sumner County participates in a self-insured postemployment benefits plan administered by BlueCross BlueShield of Tennessee. Retirees of Sumner County who were hired prior to January 1, 2018, are eligible to participate in the health insurance plan accounted for in the Self-Insurance Fund (internal service fund) until they reach Medicare eligibility. Retirees of Sumner County who were hired prior to July 1, 2015, may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The self-insured postemployment benefits plan is closed to employees that were hired on or after January 1, 2018.

The premium requirements of plan members are established and amended by recommendation of the county finance director and approved by the three-member insurance committee. The committee is comprised of three county commissioners elected by the legislative body. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates.

Benefits Provided. The plan provides healthcare (including pharmacy) insurance benefits to retirees, their spouses, and dependents if the retiree has 30 years of service or is age 60 with at least 20 years of service and has been eligible for coverage under the county group medical plan for a continuous five-year period immediately prior to retirement.

The benefit terms provide for the primary government to pay 75 percent of the medical insurance premiums (employee only) until they reach Medicare eligibility. Once the retiree reaches Medicare eligibility, dependents of the retiree are permitted to remain on the plan until age 26 and spouses of the retiree are permitted to remain on the plan until they become Medicare eligible, but the spouse and dependents are responsible for the entire cost of the premiums.

Employees Covered by Benefit Terms

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

Status	Employee Only	Employee & Family	Total
Active	266	353	619
Retired	9	0	9
Total	275	353	628

Total OPEB Liability

The plan's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability in the June 30, 2020, 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 Normal Level % of Salary method where: <ul style="list-style-type: none"> - Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Discount Rate	2.66%
Inflation Rate	3.0%
Salary Increases	Rates below as based on the TCRS 2016 Actuarial Valuation for teachers and local government: 7.75% at age 25; 6.02% at age 35; 4.74% at age 45; and 3.97% at age 55.
Healthcare Cost Trend Rate	8.0% graded down to 4.5% in FY2027
Mortality	SOA Pub-2010 General Headcount Weighted mortality table fully generational using Scale MP-2019

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 Bond Municipal Bond index, an index acceptable under GASB 75.

The actuarial assumptions used in the June 30, 2020, valuation were based on plan data and costs presented by the primary government with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.66 percent as of the measurement date of June 30, 2020.

Changes in the Total OPEB Liability

	Primary Government
Balance July 1, 2019	\$ 4,966,918
Changes for the Year:	
Service Cost	\$ 325,797
Interest	183,931
Changes in assumptions	336,342
Differences between expected and actual experience	2,989,456
Benefit Payments	(105,900)
Net Changes	\$ 3,729,626
Balance June 30, 2020	\$ 8,696,544

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the plan recognized OPEB expense of \$843,241. At June 30, 2020, the plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,688,953	\$ 235,501
Changes in Assumptions	530,629	0
Total	<u>\$ 3,219,582</u>	<u>\$ 235,501</u>

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

Year Ending June 30	Primary Government
2021	\$ 333,513
2022	333,513
2023	333,513
2024	333,513
2025	333,513
Thereafter	1,316,516

In the tables 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 discount rate of 2.66 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.66%) or one percentage point higher (3.66%) than the current rate:

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
Primary Government	1.66%	2.66%	3.66%
Total OPEB Liability	\$ 9,518,280	\$ 8,696,544	\$ 7,915,522

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 healthcare cost trend rate of 8% decreasing to 4.5% by 2027, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (7%) or one percentage point higher (9%) than the current rate:

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Trend Rates	1% Increase
	7% decreasing to 3.5% by 2027	8% decreasing to 4.5% by 2027	9% decreasing to 5.5% by 2027
Primary Government			
Total OPEB Liability	\$ 7,466,361	\$ 8,696,544	\$ 10,197,410

Discretely Presented Sumner County School Department

Plan Description. Sumner County School Department participates in a self-insured postemployment benefits plan. Retirees of the Sumner County School Department who meet the eligibility requirements dictated in the board approved retirement benefits resolution are eligible to participate in the health insurance plan accounted for in the Self-Insurance Fund (internal service fund) until they reach Medicare eligibility. The retirees of Sumner County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The premium requirements of plan members are established and amended by recommendation of the 15-member insurance committee and approved by the Director of Schools. The committee is comprised of various school employees from across the school district including two retiree representatives. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates.

Benefits Provided. The plan allows retirees to participate in medical, dental, vision, and life insurance benefits. A retiree is eligible to participate if the retiree has 30 years of creditable service with Tennessee Consolidated Retirement System (TCRS) or is age 60 with at least 20 years of creditable service with TCRS. Retirees must have had continuous group medical coverage for the last 3 consecutive years prior to retirement to be eligible for continued medical coverage.

Based on the retirement package in which the retiree is eligible, the benefit eligibility terms provide for the school department to pay from 0% to 70% of the medical insurance premiums. Retirees receive one year of coverage for every three years of creditable service with Sumner County School Department with a maximum coverage of ten years or until the retiree is eligible for Medicare. A spouse of the retiree can continue coverage until the spouse is Medicare eligible or remaining coverage period expires (10 years).

Dependent child(ren) can continue coverage up until their 26th birthday or the remaining coverage period expires (10 years). Lastly, the school department provides, at no cost to the retiree, a \$35,000 life insurance policy until age 70.

Employees Covered by Benefit Terms

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

Status	Employee Only	Employee & Family	Total
Active	736	2,057	2,793
Retired	81	64	145
Total	817	2,121	2,938

Total OPEB Liability

The plan's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<ul style="list-style-type: none"> - Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Discount Rate	2.66%
Inflation Rate	3.0%
Salary Increases	Rates below as based on the TCRS 2016 Actuarial Valuation for teachers and local government: 7.75% at age 25; 6.02% at age 35; 4.74% at age 45; and 3.97% at age 55.
Healthcare Cost Trend Rate	8.0% graded down to 4.5% in FY2027
Mortality	<p>Certified retirees: SOA Pub-2010 Teacher Headcount Weighted mortality table fully generational using Scale MP-2019</p> <p>All other retirees: SOA Pub-2010 General Headcount Weighted mortality table fully generational using Scale MP-2019</p>

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 Bond Municipal Bond index, an index acceptable under GASB 75.

The actuarial assumptions used in the June 30, 2020, valuation were based on plan data and costs presented by the primary government with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.66 percent as of the measurement date of June 30, 2020.

Changes in the Total OPEB Liability

	<u>School Department</u>
Balance July 1, 2019	\$ 44,602,978
Changes for the Year:	
Service Cost	\$ 2,383,541
Interest	1,608,523
Changes in assumptions	1,547,528
Differences between expected and actual experience	10,129,425
Benefit Payments	<u>(2,339,512)</u>
Net Changes	<u>\$ 13,329,505</u>
 Balance June 30, 2020	 <u>\$ 57,932,483</u>

OPEB Expense and Deferred Outflows of Resources. For the year ended June 30, 2020, the plan recognized OPEB expense of \$5,510,204. At June 30, 2020, the plan reported deferred outflows of resources related to OPEB from the following sources:

School Department	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 12,171,103	\$ 1,316,924
Changes in Assumptions	<u>3,374,875</u>	<u>0</u>
Total	<u>\$ 15,545,978</u>	<u>\$ 1,316,924</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ 1,518,140
2022	1,518,140
2023	1,518,140
2024	1,518,140
2025	1,518,140
Thereafter	6,638,354

In the tables 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 discount rate of 2.66 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.66%) or one percentage point higher (3.66%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
School Department	1.66%	2.66%	3.66%
Total OPEB Liability	\$ 62,005,641	\$ 57,932,483	\$ 53,981,261

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 healthcare cost trend rate of 8.5% decreasing to 5% by 2027, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (7.5%) or one percentage point higher (9.5%) than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
	7% decreasing to 3.5% by 2027	8% decreasing to 4.5% by 2027	9% decreasing to 5.5% by 2027
School Department			
Total OPEB Liability	\$ 51,785,604	\$ 57,932,483	\$ 65,189,750

OPEB Provided through State Administered Public Entity Risk Pools

Post-65 retirees of Sumner County and the discretely presented Sumner County School Department may join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The county and school department's total OPEB liability for each plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.2%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	TN-Ms- The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

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

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

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

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2019 plan year was revised from 6.75 percent to 6.03 percent.

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

Plan Description. Employees of Sumner 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 Sumner County. 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 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. Sumner County provided a direct subsidy of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with 15-20 years of service.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	82
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	30
Active Employees	1,423
Total	<u><u>1,535</u></u>

In accordance with TCA 8-27-209, the state insurance committees established by TCA 8-27-201, 8-27-301 and 8-27-701 determine the required payments to

the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2020, the county paid \$18,634 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Sumner County</u>
Balance July 1, 2018	\$ 1,882,330
Changes for the Year:	
Service Cost	70,994
Interest	70,444
Difference between Expected and Actuarial Experience	(92,626)
Changes in Assumptions and Other Inputs	49,379
Benefit Payments	(14,838)
Net Changes	<u>\$ 83,353</u>
Balance June 30, 2019	<u><u>\$ 1,965,683</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized OPEB expense of \$62,109. At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 339,174
Changes of Assumptions	43,430	177,645
Benefits Paid After the Measurement Date of June 30, 2019 (1)	<u>18,634</u>	<u>0</u>
Total	<u><u>\$ 62,064</u></u>	<u><u>\$ 516,819</u></u>

- (1) The amount shown above for “Benefits Paid After the Measurement Date of June 30, 2019” will be recognized as a reduction to total OPEB liability in the following measurement period.

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

<u>Year Ending June 30</u>	<u>Sumner County</u>
2021	\$ (79,329)
2022	(79,329)
2023	(79,329)
2024	(79,329)
2025	(79,329)
Thereafter	(76,744)

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>	<u>1% Decrease 2.51%</u>	<u>Current Discount Rate 3.51%</u>	<u>1% Increase 4.51%</u>
Total OPEB Liability	\$ 2,308,190	\$ 1,965,683	\$ 1,686,334

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 Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Sumner County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local education

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

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers, noncertified employees, and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with *TCA* 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Sumner County School Department provides a direct subsidy to retired certified and non-certified employees of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with 10 to 20 years of service. The state, as a governmental nonemployer contributing entity contributes to the premiums of certain eligible retirees (teachers) of local education agencies based on years of service. The State of Tennessee provided a direct subsidy of \$50 for eligible retirees (teachers) with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	336
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	163
Active Employees	2,289
Total	<u>2,788</u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701 determine the required

payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2020, the school department paid \$178,704 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		Total OPEB Liability
	Sumner County School Department 50.0666%	State of TN 49.9334%	
Balance July 1, 2018	\$ 0	\$ 5,415,972	\$ 5,415,972
Changes for the Year:			
Service Cost	\$ 65,296	\$ 65,123	\$ 130,419
Interest	98,963	98,699	197,662
Difference between Expected and Actuarial Experience	(100,937)	(100,669)	(201,606)
Changes in Proportion	2,711,593	(2,711,593)	0
Changes in Assumption and Other Inputs	2,765,391	2,758,034	5,523,425
Benefit Payments	(87,016)	(86,784)	(173,800)
Net Changes	\$ 5,453,290	\$ 22,810	\$ 5,476,100
Balance June 30, 2019	\$ 5,453,290	\$ 5,438,782	\$ 10,892,072

The Sumner 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 TNM. The Sumner 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 \$1,762,496 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TMN for school department retirees.

During the year, the Sumner County School Department's proportionate share of the collective OPEB liability for the TNM plan was 50.0666 percent and the State of Tennessee's share was 49.9334 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$743,038, which includes expenses funded by nonemployer contributing entities.

At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 449,807	\$ 91,089
Changes of Assumptions	2,495,597	786,845
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	2,719,777	12,978,357
Benefits Paid After the Measurement Date of June 30, 2019	<u>178,704</u>	<u>0</u>
Total	<u>\$ 5,843,885</u>	<u>\$ 13,856,291</u>

The amount shown above for “Benefits Paid After the Measurement Date of June 30, 2019” will be recognized as a reduction to total OPEB liability in the following measurement period.

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

Year Ending June 30	School Department
2021	\$ (1,183,717)
2022	(1,183,717)
2023	(1,183,717)
2024	(1,183,717)
2025	(1,183,717)
Thereafter	(2,272,525)

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>		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	2.51%	3.51%	4.51%

Proportionate Share of the			
Collective Total OPEB			
Liability	\$ 6,366,128	\$ 5,453,290	\$ 4,716,019

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.

G. Termination Benefits

In 2011-12, the discretely presented Sumner County School Department offered a voluntary retirement incentive for employees who will have 30 years of verified Tennessee Consolidated Retirement Service (TCRS), or have reached 60 years of age with a minimum of 20 years of verified teaching credit in TCRS and worked in the Sumner County school system for ten years. This incentive consists of a cash payment of \$15 per day for each sick day held by the employee at their retirement date. There is no limit to the number of accumulated days that employees can be paid under the program. During the year, 62 employees accepted the voluntary retirement incentive. All 35 employees retired during 2019-20 and received sick leave payments totaling \$125,120.

H. Office of Central Accounting and Budgeting

On June 18, 2012, Sumner County adopted Chapter 70, Private Acts of 2012, which provides for a central system of accounting and budgeting covering all funds of the county. On May 20, 2019, Sumner County adopted Chapter 8, Private Acts of 2019, which amends several sections of the Private Acts of 2012. The amendments allow, but do not require, centralization of the school department.

I. Purchasing Laws

Office of Finance Director

Chapter 70, Private Acts of 2012, as amended, governs purchasing procedures for the general county government. This act does not provide for

a dollar amount requiring advertisement and competitive bidding, and the financial management committee has not formally adopted a dollar amount. Therefore, public advertising provisions for the general government fall under the provisions of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide that general government purchases in excess of \$10,000 are to be made after public advertisement and competitive bidding.

Office of Superintendent of Roads

Section 54-7-113, *TCA*, (Uniform Road Law), governs purchasing procedures for the highway department. This statute requires all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Sumner 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.

J. Subsequent Event

On August 17, 2020, Sumner County issued \$102,703,569 in general obligation bonds.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 3,872,058	\$ 3,955,962	\$ 4,197,651	\$ 4,509,714	\$ 4,738,710	\$ 5,098,839
Interest	10,430,756	11,036,412	11,722,788	12,588,968	13,068,154	13,950,818
Differences Between Actual and Expected Experience	(868,375)	(67,132)	1,731,715	(2,197,405)	1,349,244	1,706,565
Changes in Assumptions	0	0	0	4,021,649	0	0
Benefit Payments, Including Refunds of Employee Contributions	(5,242,772)	(5,643,093)	(6,387,427)	(6,442,869)	(7,065,996)	(7,617,126)
Net Change in Total Pension Liability	\$ 8,191,667	\$ 9,282,149	\$ 11,264,727	\$ 12,480,057	\$ 12,090,112	\$ 13,139,096
Total Pension Liability, Beginning	137,826,082	146,017,749	155,299,898	166,564,625	179,044,682	191,134,794
Total Pension Liability, Ending (a)	\$ 146,017,749	\$ 155,299,898	\$ 166,564,625	\$ 179,044,682	\$ 191,134,794	\$ 204,273,890
Plan Fiduciary Net Position						
Contributions - Employer	\$ 6,814,957	\$ 7,084,326	\$ 7,620,318	\$ 7,786,613	\$ 6,993,577	\$ 7,530,611
Contributions - Employee	30,200	1,120	2,246	1,475	9,174	683
Net Investment Income	21,547,346	4,719,154	4,228,053	18,641,748	15,218,456	14,764,084
Benefit Payments, Including Refunds of Employee Contributions	(5,242,772)	(5,643,093)	(6,387,427)	(6,442,869)	(7,065,996)	(7,617,126)
Administrative Expense	(80,666)	(107,840)	(159,304)	(180,905)	(207,530)	(198,119)
Other	0	0	0	(2,265)	0	0
Net Change in Plan Fiduciary Net Position	\$ 23,069,065	\$ 6,053,667	\$ 5,303,886	\$ 19,803,797	\$ 14,947,681	\$ 14,480,133
Plan Fiduciary Net Position, Beginning	129,246,871	152,315,936	158,369,603	163,673,489	183,477,286	198,424,967
Plan Fiduciary Net Position, Ending (b)	\$ 152,315,936	\$ 158,369,603	\$ 163,673,489	\$ 183,477,286	\$ 198,424,967	\$ 212,905,100
Net Pension Liability (Asset), Ending (a - b)	\$ (6,298,187)	\$ (3,069,705)	\$ 2,891,136	\$ (4,432,604)	\$ (7,290,173)	\$ (8,631,210)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.31%	101.98%	98.26%	102.48%	103.81%	104.23%
Covered Payroll	\$ 48,332,994	\$ 50,747,320	\$ 54,578,637	\$ 55,778,009	\$ 59,520,680	\$ 64,090,285
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(13.03)%	(6.05)%	5.30%	(7.95)%	(12.25)%	(13.47)%

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

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 6,814,957	\$ 7,084,326	\$ 7,620,318	\$ 5,008,865	\$ 5,630,656	\$ 6,062,943	\$ 7,191,068
Less Contributions in Relation to the							
Actuarially Determined Contribution	(6,814,957)	(7,084,326)	(7,620,318)	(7,786,613)	(6,993,577)	(7,530,611)	(7,191,068)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (2,777,748)	\$ (1,362,921)	\$ (1,467,668)	\$ 0
Covered Payroll	\$ 48,332,994	\$ 50,747,320	\$ 54,578,637	\$ 55,778,009	\$ 59,520,680	\$ 64,090,285	\$ 66,465,766
Contributions as a Percentage of Covered Payroll	14.10%	13.96%	13.96%	13.96%	11.75%	11.75%	11.00%

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

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

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 228,292	\$ 420,625	\$ 638,578	\$ 309,611	\$ 469,586	\$ 602,114
Less Contributions in Relation to the						
Contractually Required Contribution	(228,292)	(420,625)	(638,578)	(759,434)	(469,586)	(602,114)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (449,823)	\$ 0	\$ 0
Covered Payroll	\$ 5,707,298	\$ 10,515,625	\$ 15,397,403	\$ 19,858,355	\$ 24,205,436	\$ 29,660,742
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.15%	3.82%	1.94%	2.03%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 9,318,045	\$ 9,369,511	\$ 9,080,291	\$ 8,741,947	\$ 8,611,145	\$ 9,747,864	\$ 10,179,798
Less Contributions in Relation to the							
Contractually Required Contribution	(9,318,045)	(9,369,511)	(9,080,291)	(8,741,947)	(8,611,145)	(9,747,864)	(10,179,798)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 104,932,940	\$ 100,645,167	\$ 100,445,598	\$ 97,283,833	\$ 93,963,874	\$ 93,191,825	\$ 95,764,780
Contributions as a Percentage of Covered Payroll	8.88%	9.31%	9.04%	8.99%	9.16%	10.46%	10.63%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	2.746882%	2.389892%	2.432349%	2.172593%	2.287409%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (110,506)	\$ (248,795)	\$ (641,738)	\$ (985,332)	\$ (1,291,211)
Covered Payroll	\$ 5,707,298	\$ 10,515,625	\$ 15,397,403	\$ 19,858,355	\$ 24,205,436
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.17)%	(4.96)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	2.673456%	2.768665%	2.782585%	2.735624%	2.708316%	2.779237%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (434,424)	\$ 1,134,140	\$ 17,389,612	\$ (895,052)	\$ (9,530,334)	\$ (28,575,564)
Covered Payroll	\$ 104,932,950	\$ 103,645,167	\$ 100,445,598	\$ 97,283,833	\$ 93,963,874	\$ 93,191,825
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094252%	17.31%	(0.92)%	(10.14)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit F-7

Sumner County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Self-Insured Plan

For the Fiscal Year Ended June 30

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 287,149	\$ 305,679	\$ 325,797
Interest	161,322	188,483	183,931
Differences Between Actual and Expected Experience	(125,139)	(184,879)	2,989,456
Changes in Assumptions	135,150	166,865	336,342
Benefit Payments	(79,914)	(146,461)	(105,900)
Net Change in Total OPEB Liability	\$ 378,568	\$ 329,687	\$ 3,729,626
Total OPEB Liability, Beginning	4,258,663	4,637,231	4,966,918
Total OPEB Liability, Ending	<u>\$ 4,637,231</u>	<u>\$ 4,966,918</u>	<u>\$ 8,696,544</u>
Covered Employee Payroll	\$ 27,946,075	\$ 28,784,457	\$ 34,733,747
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	16.59%	17.26%	25.04%

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit F-8

Sumner County, Tennessee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare

For the Fiscal Year Ended June 30

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 121,013	\$ 104,179	\$ 70,994
Interest	66,038	77,450	70,444
Differences Between Actual and Expected Experience	0	(346,574)	(92,626)
Changes in Assumptions or Other Inputs	(246,206)	(18,165)	49,379
Benefit Payments	(8,100)	(11,900)	(14,838)
Net Change in Total OPEB Liability	\$ (67,255)	\$ (195,010)	\$ 83,353
Total OPEB Liability, Beginning	2,144,595	2,077,340	1,882,330
Total OPEB Liability, Ending	\$ 2,077,340	\$ 1,882,330	\$ 1,965,683
Covered Employee Payroll	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

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

Note 2: Changes in assumptions.

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

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

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

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

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

Exhibit F-9

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

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 1,987,393	\$ 2,242,629	\$ 2,383,541
Interest	1,355,729	1,724,099	1,608,523
Differences Between Actual and Expected Experience	4,073,489	(1,609,575)	10,129,425
Changes in Assumptions	1,379,660	1,179,009	1,547,528
Benefit Payments	(2,286,052)	(2,458,504)	(2,339,512)
Net Change in Total OPEB Liability	\$ 6,510,219	\$ 1,077,658	\$ 13,329,505
Total OPEB Liability, Beginning	37,015,101	43,525,320	44,602,978
Total OPEB Liability, Ending	<u>\$ 43,525,320</u>	<u>\$ 44,602,978</u>	<u>\$ 57,932,483</u>
Covered Employee Payroll	\$ 110,243,534	\$ 113,550,840	\$ 121,347,308
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	39.48%	39.28%	47.74%

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit F-10

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

	<u>2019</u>
Total OPEB Liability	
Service Cost	\$ 130,419
Interest	197,662
Differences Between Actual and Expected Experience	(201,606)
Changes in Assumptions or Other Inputs	5,523,425
Benefit Payments	(173,800)
Net Change in Total OPEB Liability	\$ 5,476,100
Total OPEB Liability, Beginning	<u>5,415,972</u>
Total OPEB Liability, Ending	<u><u>\$ 10,892,072</u></u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 5,438,782
Employer Proportionate Share of the Total OPEB Liability	5,453,290
Covered Employee Payroll	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A

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

Note 2: Changes in assumptions.

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

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

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

For the 2019 plan year - from 5.4% to 6.75%

For the 2020 plan year - from 6.75% to 6.03%

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

SUMNER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 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.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

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.

Exhibit G-1

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

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
Due to Other Funds
Due to Litigants, Heirs, and Others
Other Current Liabilities
Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

FUND BALANCES

Restricted:
Restricted for General Government

Special Revenue Funds			Total Nonmajor Governmental Funds
Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	
\$ 0	\$ 0	\$ 6,000	\$ 6,000
133,912	128,232	0	262,144
55,577	0	80	55,657
62	0	0	62
<hr/>			
\$ 189,551	\$ 128,232	\$ 6,080	\$ 323,863
<hr/>			
\$ 24,246	\$ 0	\$ 0	\$ 24,246
130	0	0	130
0	0	6,080	6,080
0	3,766	0	3,766
<hr/>			
\$ 24,376	\$ 3,766	\$ 6,080	\$ 34,222
<hr/>			
\$ 27,213	\$ 0	\$ 0	\$ 27,213
<hr/>			
\$ 27,213	\$ 0	\$ 0	\$ 27,213
<hr/>			
\$ 137,962	\$ 0	\$ 0	\$ 137,962

(Continued)

Exhibit G-1

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

FUND BALANCES (Cont.)

Restricted (Cont.):

 Restricted for Public Safety

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Special Revenue Funds				
Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds	
\$ 0	\$ 124,466	\$ 0	\$	124,466
\$ 137,962	\$ 124,466	\$ 0	\$	262,428
\$ 189,551	\$ 128,232	\$ 6,080	\$	323,863

Exhibit G-2

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

	Special Revenue Funds			Total
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Nonmajor Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 267,568	\$ 0	\$ 0	\$ 267,568
Fines, Forfeitures, and Penalties	0	16,655	0	16,655
Charges for Current Services	381,166	16,000	11,350	408,516
Other Local Revenues	10,477	0	0	10,477
Total Revenues	<u>\$ 659,211</u>	<u>\$ 32,655</u>	<u>\$ 11,350</u>	<u>\$ 703,216</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 774,584	\$ 0	\$ 0	\$ 774,584
Administration of Justice	0	0	11,350	11,350
Public Safety	0	43,641	0	43,641
Total Expenditures	<u>\$ 774,584</u>	<u>\$ 43,641</u>	<u>\$ 11,350</u>	<u>\$ 829,575</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (115,373)</u>	<u>\$ (10,986)</u>	<u>\$ 0</u>	<u>\$ (126,359)</u>
Net Change in Fund Balances	<u>\$ (115,373)</u>	<u>\$ (10,986)</u>	<u>\$ 0</u>	<u>\$ (126,359)</u>
Fund Balance, July 1, 2019	<u>253,335</u>	<u>135,452</u>	<u>0</u>	<u>388,787</u>
Fund Balance, June 30, 2020	<u>\$ 137,962</u>	<u>\$ 124,466</u>	<u>\$ 0</u>	<u>\$ 262,428</u>

Exhibit G-3

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 267,568	\$ 0	\$ 0	\$ 267,568	\$ 300,000	\$ 300,000	\$ (32,432)
Charges for Current Services	381,166	0	0	381,166	325,000	325,000	56,166
Other Local Revenues	10,477	0	0	10,477	188	9,983	494
Total Revenues	<u>\$ 659,211</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 659,211</u>	<u>\$ 625,188</u>	<u>\$ 634,983</u>	<u>\$ 24,228</u>
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 774,584	\$ (19,645)	\$ 140	\$ 755,079	\$ 821,499	\$ 850,939	\$ 95,860
Total Expenditures	<u>\$ 774,584</u>	<u>\$ (19,645)</u>	<u>\$ 140</u>	<u>\$ 755,079</u>	<u>\$ 821,499</u>	<u>\$ 850,939</u>	<u>\$ 95,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (115,373)</u>	<u>\$ 19,645</u>	<u>\$ (140)</u>	<u>\$ (95,868)</u>	<u>\$ (196,311)</u>	<u>\$ (215,956)</u>	<u>\$ 120,088</u>
Net Change in Fund Balance	\$ (115,373)	\$ 19,645	\$ (140)	\$ (95,868)	\$ (196,311)	\$ (215,956)	\$ 120,088
Fund Balance, July 1, 2019	253,335	(19,645)	0	233,690	233,584	233,584	106
Fund Balance, June 30, 2020	<u><u>\$ 137,962</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (140)</u></u>	<u><u>\$ 137,822</u></u>	<u><u>\$ 37,273</u></u>	<u><u>\$ 17,628</u></u>	<u><u>\$ 120,194</u></u>

Exhibit G-4

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 16,655	\$ 0	\$ 16,655	\$ 9,500	\$ 9,500	\$ 7,155
Charges for Current Services	16,000	0	16,000	16,000	16,000	0
Other Local Revenues	0	0	0	1,500	1,500	(1,500)
Total Revenues	<u>\$ 32,655</u>	<u>\$ 0</u>	<u>\$ 32,655</u>	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 5,655</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 43,641	\$ 33,522	\$ 77,163	\$ 72,010	\$ 104,731	\$ 27,568
Total Expenditures	<u>\$ 43,641</u>	<u>\$ 33,522</u>	<u>\$ 77,163</u>	<u>\$ 72,010</u>	<u>\$ 104,731</u>	<u>\$ 27,568</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,986)</u>	<u>\$ (33,522)</u>	<u>\$ (44,508)</u>	<u>\$ (45,010)</u>	<u>\$ (77,731)</u>	<u>\$ 33,223</u>
Net Change in Fund Balance	\$ (10,986)	\$ (33,522)	\$ (44,508)	\$ (45,010)	\$ (77,731)	\$ 33,223
Fund Balance, July 1, 2019	135,452	0	135,452	134,607	134,607	845
Fund Balance, June 30, 2020	<u><u>\$ 124,466</u></u>	<u><u>\$ (33,522)</u></u>	<u><u>\$ 90,944</u></u>	<u><u>\$ 89,597</u></u>	<u><u>\$ 56,876</u></u>	<u><u>\$ 34,068</u></u>

Major Governmental Funds

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

General Capital Projects Fund

The General Capital Projects Fund is used to account for general capital expenditures of the county and the discretely presented Sumner County School Department.

Exhibit H-1

Sumner County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 29,712,226	\$ 0	\$ 29,712,226	\$ 29,418,806	\$ 29,286,251	\$ 425,975
Other Local Revenues	0	0	0	3,250,000	0	0
State of Tennessee	37,022	0	37,022	38,572	38,572	(1,550)
Total Revenues	<u>\$ 29,749,248</u>	<u>\$ 0</u>	<u>\$ 29,749,248</u>	<u>\$ 32,707,378</u>	<u>\$ 29,324,823</u>	<u>\$ 424,425</u>
<u>Expenditures</u>						
<u>Principal on Debt</u>						
General Government	\$ 1,693,044	\$ 0	\$ 1,693,044	\$ 1,693,044	\$ 1,693,044	\$ 0
Education	16,031,956	0	16,031,956	16,031,957	16,031,957	1
<u>Interest on Debt</u>						
General Government	416,836	0	416,836	416,836	416,836	0
Education	9,887,430	0	9,887,430	9,887,430	9,887,430	0
<u>Other Debt Service</u>						
General Government	491,983	2,500	494,483	507,471	507,471	12,988
Education	2,580	0	2,580	4,000	4,000	1,420
Total Expenditures	<u>\$ 28,523,829</u>	<u>\$ 2,500</u>	<u>\$ 28,526,329</u>	<u>\$ 28,540,738</u>	<u>\$ 28,540,738</u>	<u>\$ 14,409</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,225,419</u>	<u>\$ (2,500)</u>	<u>\$ 1,222,919</u>	<u>\$ 4,166,640</u>	<u>\$ 784,085</u>	<u>\$ 438,834</u>
Net Change in Fund Balance	\$ 1,225,419	\$ (2,500)	\$ 1,222,919	\$ 4,166,640	\$ 784,085	\$ 438,834
Fund Balance, July 1, 2019	20,240,770	0	20,240,770	20,240,769	20,240,769	1
Fund Balance, June 30, 2020	<u>\$ 21,466,189</u>	<u>\$ (2,500)</u>	<u>\$ 21,463,689</u>	<u>\$ 24,407,409</u>	<u>\$ 21,024,854</u>	<u>\$ 438,835</u>

Exhibit H-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,538,739	\$ 0	\$ 0	\$ 10,538,739	\$ 7,319,178	\$ 10,366,915	\$ 171,824
Other Local Revenues	3,422,080	0	0	3,422,080	0	3,375,756	46,324
State of Tennessee	17,176	0	0	17,176	10,507	13,672	3,504
Federal Government	119,477	0	0	119,477	1,216,775	1,216,775	(1,097,298)
Other Governments and Citizens Groups	0	0	0	0	0	45,000	(45,000)
Total Revenues	\$ 14,097,472	\$ 0	\$ 0	\$ 14,097,472	\$ 8,546,460	\$ 15,018,118	\$ (920,646)
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 205,998	\$ 0	\$ 0	\$ 205,998	\$ 126,000	\$ 205,998	\$ 0
Administration of Justice Projects	3,710,609	(4,371,546)	2,906,161	2,245,224	1,331,513	6,986,681	4,741,457
Public Safety Projects	7,606,308	(5,782,781)	5,616,541	7,440,068	3,666,448	14,914,986	7,474,918
Public Health and Welfare Projects	1,363,717	(12,900)	369,921	1,720,738	2,244,102	2,257,002	536,264
Social, Cultural, and Recreation Projects	6,384	(46,376)	85,412	45,420	900,783	900,783	855,363
Agriculture and Natural Resources Projects	0	0	0	0	53,850	53,850	53,850
Other General Government Projects	1,637,676	(1,149,890)	1,060,751	1,548,537	3,532,463	4,727,354	3,178,817
Highway and Street Capital Projects	575,450	0	0	575,450	550,000	1,125,450	550,000
<u>Capital Projects - Donated</u>							
Capital Projects Donated to School Department	11,679,500	(2,982,939)	89,962,672	98,659,233	105,095,944	124,905,921	26,246,688
Total Expenditures	\$ 26,785,642	\$ (14,346,432)	\$ 100,001,458	\$ 112,440,668	\$ 117,501,103	\$ 156,078,025	\$ 43,637,357
Excess (Deficiency) of Revenues Over Expenditures	\$ (12,688,170)	\$ 14,346,432	\$ (100,001,458)	\$ (98,343,196)	\$ (108,954,643)	\$ (141,059,907)	\$ 42,716,711
Net Change in Fund Balance	\$ (12,688,170)	\$ 14,346,432	\$ (100,001,458)	\$ (98,343,196)	\$ (108,954,643)	\$ (141,059,907)	\$ 42,716,711
Fund Balance, July 1, 2019	125,143,984	(14,346,432)	0	110,797,552	110,505,839	142,611,103	(31,813,551)
Fund Balance, June 30, 2020	\$ 112,455,814	\$ 0	\$ (100,001,458)	\$ 12,454,356	\$ 1,551,196	\$ 1,551,196	\$ 10,903,160

Fiduciary Funds

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

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

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

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

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

Exhibit I-1

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

	Agency Funds				
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 13,694,569	\$ 1,325,714	\$ 0	\$ 15,020,283
Equity in Pooled Cash and Investments	0	0	174,036	59,361	233,397
Accounts Receivable	0	0	153,146	1,507	154,653
Due from Other Governments	5,054,409	0	5,417	0	5,059,826
Total Assets	\$ 5,054,409	\$ 13,694,569	\$ 1,658,313	\$ 60,868	\$ 20,468,159
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 134,567	\$ 0	\$ 134,567
Due to Other Funds	0	0	38,090	5,393	43,483
Due to State of Tennessee	0	0	2,286	0	2,286
Due to Other Taxing Units	5,054,409	0	0	0	5,054,409
Due to Litigants, Heirs, and Others	0	13,694,569	1,298,824	55,475	15,048,868
Due to Joint Ventures	0	0	184,546	0	184,546
Total Liabilities	\$ 5,054,409	\$ 13,694,569	\$ 1,658,313	\$ 60,868	\$ 20,468,159

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 27,211,404	\$ 27,211,404	\$ 0
Due from Other Governments	4,581,382	5,054,409	4,581,382	5,054,409
Total Assets	\$ 4,581,382	\$ 32,265,813	\$ 31,792,786	\$ 5,054,409
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,581,382	\$ 32,265,813	\$ 31,792,786	\$ 5,054,409
Total Liabilities	\$ 4,581,382	\$ 32,265,813	\$ 31,792,786	\$ 5,054,409
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 9,590,806	\$ 56,254,986	\$ 52,151,223	\$ 13,694,569
Total Assets	\$ 9,590,806	\$ 56,254,986	\$ 52,151,223	\$ 13,694,569
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 9,590,806	\$ 56,254,986	\$ 52,151,223	\$ 13,694,569
Total Liabilities	\$ 9,590,806	\$ 56,254,986	\$ 52,151,223	\$ 13,694,569
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 1,289,190	\$ 261,284	\$ 224,760	\$ 1,325,714
Equity in Pooled Cash and Investments	63,517	367,591	257,072	174,036
Accounts Receivable	51,329	153,146	51,329	153,146
Due from Other Governments	2,036	5,417	2,036	5,417
Total Assets	\$ 1,406,072	\$ 787,438	\$ 535,197	\$ 1,658,313
<u>Liabilities</u>				
Accounts Payable	\$ 30,425	\$ 134,567	\$ 30,425	\$ 134,567
Due to Other Funds	0	38,090	0	38,090
Due to State of Tennessee	2,522	2,286	2,522	2,286
Due to Litigants, Heirs, and Others	1,280,346	261,284	242,806	1,298,824
Due to Joint Ventures	92,779	351,211	259,444	184,546
Total Liabilities	\$ 1,406,072	\$ 787,438	\$ 535,197	\$ 1,658,313
<u>District Attorney General</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 64,111	\$ 12,955	\$ 17,705	\$ 59,361
Accounts Receivable	1,520	1,507	1,520	1,507
Due from Other Funds	300	0	300	0
Total Assets	\$ 65,931	\$ 14,462	\$ 19,525	\$ 60,868
<u>Liabilities</u>				
Accounts Payables	\$ 450	\$ 0	\$ 450	\$ 0
Due to Other Funds	0	5,393	0	5,393
Due to Litigants, Heirs, and Others	65,481	9,069	19,075	55,475
Total Liabilities	\$ 65,931	\$ 14,462	\$ 19,525	\$ 60,868

(Continued)

Sumner County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 10,879,996	\$ 56,516,270	\$ 52,375,983	\$ 15,020,283
Equity in Pooled Cash and Investments	127,628	27,591,950	27,486,181	233,397
Accounts Receivable	52,849	154,653	52,849	154,653
Due from Other Governments	4,583,418	5,059,826	4,583,418	5,059,826
Due from Other Funds	300	0	300	0
Total Assets	<u>\$ 15,644,191</u>	<u>\$ 89,322,699</u>	<u>\$ 84,498,731</u>	<u>\$ 20,468,159</u>
<u>Liabilities</u>				
Accounts Payable	\$ 30,875	\$ 134,567	\$ 30,875	\$ 134,567
Due to Other Funds	0	43,483	0	43,483
Due to State of Tennessee	2,522	2,286	2,522	2,286
Due to Other Taxing Units	4,581,382	32,265,813	31,792,786	5,054,409
Due to Litigants, Heirs, and Others	10,936,633	56,525,339	52,413,104	15,048,868
Due to Joint Ventures	92,779	351,211	259,444	184,546
Total Liabilities	<u>\$ 15,644,191</u>	<u>\$ 89,322,699</u>	<u>\$ 84,498,731</u>	<u>\$ 20,468,159</u>

Sumner County School Department

This section presents fund financial statements for the Sumner County School Department, a discretely presented component unit. The school department uses a General Fund, one Special Revenue Fund, and one Internal Service 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.

Employee Insurance Fund – The Employee Insurance Fund is used to account for transactions pertaining to the school department's self-insurance group medical and prescription drug plans.

Exhibit J-1

Sumner County, Tennessee
Statement of Activities
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 164,944,805	\$ 534,971	\$ 8,491,100	\$ 0	\$ (155,918,734)
Support Services	104,673,631	383,612	1,898,755	10,695,307	(91,695,957)
Operation of Non-instructional Services	15,518,968	6,146,672	7,718,906	0	(1,653,390)
Total Governmental Activities	\$ 285,137,404	\$ 7,065,255	\$ 18,108,761	\$ 10,695,307	\$ (249,268,081)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 80,570,872
Local Option Sales Taxes					21,004,419
Wheel Tax					5,240,511
Mixed Drink Tax					346,866
Grants and Contributions Not Restricted to Specific Programs					159,727,813
Unrestricted Investment Earnings					115,425
Miscellaneous					80,688
Total General Revenues					\$ 267,086,594
Change in Net Position					\$ 17,818,513
Net Position, July 1, 2019					309,632,370
Prior-period adjustment - See Note I.D.11.					(14,663,858)
Net Position, June 30, 2020					\$ 312,787,025

Exhibit J-2

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

	Major Fund	Nonmajor Fund	Total
	General	School	Governmental
	Purpose	Federal	Funds
	School	Projects	
<u>ASSETS</u>			
Cash	\$ 7,685	\$ 0	\$ 7,685
Equity in Pooled Cash and Investments	61,566,231	414,682	61,980,913
Accounts Receivable	52,311	0	52,311
Due from Other Governments	9,052,917	122,810	9,175,727
Due from Other Funds	12,707	0	12,707
Property Taxes Receivable	86,736,021	0	86,736,021
Allowance for Uncollectible Property Taxes	(1,247,404)	0	(1,247,404)
Prepaid Items	23,195	0	23,195
Restricted Assets	1,120,863	0	1,120,863
Total Assets	\$ 157,324,526	\$ 537,492	\$ 157,862,018
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,226,447	\$ 22,444	\$ 2,248,891
Payroll Deductions Payable	3,799,649	0	3,799,649
Due to Other Funds	0	12,707	12,707
Current Liabilities Payable From Restricted Assets	362,957	0	362,957
Total Liabilities	\$ 6,389,053	\$ 35,151	\$ 6,424,204
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 84,289,233	\$ 0	\$ 84,289,233
Deferred Delinquent Property Taxes	1,110,659	0	1,110,659
Other Deferred/Unavailable Revenue	1,830,891	0	1,830,891
Total Deferred Inflows of Resources	\$ 87,230,783	\$ 0	\$ 87,230,783
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 23,195	\$ 0	\$ 23,195
Restricted:			
Restricted for Education	2,827,236	2,341	2,829,577
Restricted for Operation of Non-instructional Services	2,800,059	0	2,800,059
Restricted for Hybrid Retirement Stabilization Funds	1,120,863	0	1,120,863
Committed:			
Committed for Education	21,795,013	500,000	22,295,013
Assigned:			
Assigned for Education	1,281,919	0	1,281,919
Unassigned	33,856,405	0	33,856,405
Total Fund Balances	\$ 63,704,690	\$ 502,341	\$ 64,207,031
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 157,324,526	\$ 537,492	\$ 157,862,018

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	64,207,031
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.			
Add: land	\$	12,748,208	
Add: construction in progress		14,510,020	
Add: buildings and improvements net of accumulated depreciation		204,267,837	
Add: other capital assets net of accumulated depreciation		<u>13,450,965</u>	244,977,030
(2) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.			32,132,611
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(2,796,038)	
Less: other postemployment benefits liability - school insurance plan		(57,932,483)	
Less: other postemployment benefits liability - Medicare supplement plan		<u>(5,453,290)</u>	(66,181,811)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			2,941,550
(5) 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	\$	22,365,028	
Less: deferred inflows of resources related to pensions		(27,893,764)	
Add: deferred outflows of resources related to OPEB		21,389,863	
Less: deferred inflows of resources related to OPEB		<u>(15,173,215)</u>	687,912
(6) Net pension assets of the agent, teacher retirement, and teacher legacy pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	4,155,927	
Add: net pension asset - teacher retirement plan		1,291,211	
Add: net pension asset - teacher legacy pension plan		<u>28,575,564</u>	34,022,702
Net position of governmental activities (Exhibit A)		\$	<u>312,787,025</u>

Exhibit J-4

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

	Major Fund	Nonmajor Fund	
	General Purpose School	School Federal Projects	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 107,173,686	\$ 0	\$ 107,173,686
Licenses and Permits	7,151	0	7,151
Charges for Current Services	6,934,893	0	6,934,893
Other Local Revenues	1,287,146	0	1,287,146
State of Tennessee	155,309,746	0	155,309,746
Federal Government	8,104,272	12,765,890	20,870,162
Total Revenues	\$ 278,816,894	\$ 12,765,890	\$ 291,582,784
<u>Expenditures</u>			
Current:			
Instruction	\$ 164,374,735	\$ 8,175,561	\$ 172,550,296
Support Services	85,717,388	3,961,703	89,679,091
Operation of Non-Instructional Services	15,488,497	484,594	15,973,091
Capital Outlay	3,000,724	0	3,000,724
Total Expenditures	\$ 268,581,344	\$ 12,621,858	\$ 281,203,202
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,235,550	\$ 144,032	\$ 10,379,582
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 188	\$ 0	\$ 188
Transfers In	141,691	0	141,691
Transfers Out	0	(141,691)	(141,691)
Total Other Financing Sources (Uses)	\$ 141,879	\$ (141,691)	\$ 188
Net Change in Fund Balances	\$ 10,377,429	\$ 2,341	\$ 10,379,770
Fund Balance, July 1, 2019	53,327,261	500,000	53,827,261
Fund Balance, June 30, 2020	\$ 63,704,690	\$ 502,341	\$ 64,207,031

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 10,379,770
(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	\$ 3,950,497	
Less: current-year depreciation expense	<u>(19,949,702)</u>	(15,999,205)
(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	\$ 10,695,307	
Less: book value of capital assets disposed	<u>(10,714)</u>	10,684,593
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2019	\$ (2,325,281)	
Add: deferred delinquent property taxes and other deferred June 30, 2020	<u>2,941,550</u>	616,269
(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 OPEB liability - school insurance plan	\$ (13,329,505)	
Change in OPEB liability - Medicare supplement plan	(5,453,290)	
Change in deferred outflows of resources related to pensions	(2,728,522)	
Change in deferred inflows of resources related to pensions	(11,415,861)	
Change in deferred outflows of resources related to OPEB	15,856,372	
Change in deferred inflows of resources related to OPEB	953,893	
Change in compensated absences payable	(446,342)	
Change in net pension asset/liability - agent plan	747,042	
Change in net pension asset/liability - teacher retirement plan	305,879	
Change in net pension asset/liability - teacher legacy pension plan	<u>19,045,230</u>	3,534,896
(5) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>8,602,190</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 17,818,513</u>

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 107,173,686	\$ 0	\$ 0	\$ 107,173,686	\$ 91,361,401	\$ 99,097,481	\$ 8,076,205
Licenses and Permits	7,151	0	0	7,151	8,655	8,655	(1,504)
Charges for Current Services	6,934,893	0	0	6,934,893	9,102,000	9,317,392	(2,382,499)
Other Local Revenues	1,287,146	0	0	1,287,146	676,579	1,072,704	214,442
State of Tennessee	155,309,746	0	0	155,309,746	153,980,230	155,582,270	(272,524)
Federal Government	8,104,272	0	0	8,104,272	8,092,982	8,468,918	(364,646)
Total Revenues	\$ 278,816,894	\$ 0	\$ 0	\$ 278,816,894	\$ 263,221,847	\$ 273,547,420	\$ 5,269,474
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 124,962,376	\$ (945,773)	\$ 350,289	\$ 124,366,892	\$ 126,924,208	\$ 132,072,399	\$ 7,705,507
Alternative Instruction Program	2,735,357	0	0	2,735,357	3,275,977	3,357,221	621,864
Special Education Program	26,047,546	0	0	26,047,546	26,384,962	27,549,637	1,502,091
Career and Technical Education Program	10,629,456	0	0	10,629,456	11,212,239	11,579,656	950,200
<u>Support Services</u>							
Attendance	903,851	0	0	903,851	890,696	955,045	51,194
Health Services	3,513,830	0	0	3,513,830	3,544,636	3,778,427	264,597
Other Student Support	6,551,676	0	0	6,551,676	7,155,543	8,259,129	1,707,453
Regular Instruction Program	7,753,936	0	0	7,753,936	8,196,418	8,648,658	894,722
Alternative Instruction Program	794,795	0	0	794,795	752,730	901,474	106,679
Special Education Program	3,199,282	0	0	3,199,282	3,118,404	4,094,937	895,655
Career and Technical Education Program	175,748	0	0	175,748	200,294	204,243	28,495
Technology	2,979,193	0	0	2,979,193	3,289,197	3,292,197	313,004
Board of Education	6,264,621	0	0	6,264,621	7,432,116	7,432,116	1,167,495
Director of Schools	684,388	0	0	684,388	817,664	822,013	137,625
Office of the Principal	16,973,011	0	0	16,973,011	18,062,509	18,400,629	1,427,618
Fiscal Services	2,111,561	0	0	2,111,561	2,275,816	2,278,716	167,155
Human Services/Personnel	834,030	0	0	834,030	910,824	911,524	77,494
Operation of Plant	15,745,463	0	176,390	15,921,853	18,075,804	18,084,404	2,162,551

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 7,189,476	\$ (113,330)	\$ 72,440	\$ 7,148,586	\$ 7,691,400	\$ 8,008,140	\$ 859,554
Transportation	10,042,527	0	0	10,042,527	11,952,622	11,968,422	1,925,895
<u>Operation of Non-Instructional Services</u>							
Food Service	12,535,870	0	0	12,535,870	14,639,679	14,633,180	2,097,310
Community Services	2,523,971	0	0	2,523,971	2,702,989	4,522,319	1,998,348
Early Childhood Education	428,656	0	0	428,656	470,361	482,503	53,847
<u>Capital Outlay</u>							
Regular Capital Outlay	3,000,724	(250,175)	682,800	3,433,349	4,535,000	5,650,121	2,216,772
Total Expenditures	\$ 268,581,344	\$ (1,309,278)	\$ 1,281,919	\$ 268,553,985	\$ 284,512,088	\$ 297,887,110	\$ 29,333,125
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,235,550	\$ 1,309,278	\$ (1,281,919)	\$ 10,262,909	\$ (21,290,241)	\$ (24,339,690)	\$ 34,602,599
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 188	\$ 0	\$ 0	\$ 188	\$ 25,000	\$ 25,000	\$ (24,812)
Transfers In	141,691	0	0	141,691	160,000	110,631	31,060
Total Other Financing Sources	\$ 141,879	\$ 0	\$ 0	\$ 141,879	\$ 185,000	\$ 135,631	\$ 6,248
Net Change in Fund Balance	\$ 10,377,429	\$ 1,309,278	\$ (1,281,919)	\$ 10,404,788	\$ (21,105,241)	\$ (24,204,059)	\$ 34,608,847
Fund Balance, July 1, 2019	53,327,261	(1,309,278)	0	52,017,983	36,176,200	36,176,200	15,841,783
Fund Balance, June 30, 2020	\$ 63,704,690	\$ 0	\$ (1,281,919)	\$ 62,422,771	\$ 15,070,959	\$ 11,972,141	\$ 50,450,630

Exhibit J-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 12,765,890	\$ 0	\$ 12,765,890	\$ 11,404,339	\$ 14,487,534	\$ (1,721,644)
Total Revenues	\$ 12,765,890	\$ 0	\$ 12,765,890	\$ 11,404,339	\$ 14,487,534	\$ (1,721,644)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 4,076,831	\$ 0	\$ 4,076,831	\$ 3,592,323	\$ 4,544,486	\$ 467,655
Special Education Program	3,742,245	5,570	3,747,815	3,763,459	4,020,067	272,252
Career and Technical Education Program	356,485	28,139	384,624	267,006	391,968	7,344
<u>Support Services</u>						
Health Services	0	0	0	192,441	0	0
Other Student Support	316,280	0	316,280	390,320	444,450	128,170
Regular Instruction Program	1,470,681	0	1,470,681	1,158,951	1,890,186	419,505
Special Education Program	2,167,528	0	2,167,528	1,914,075	2,304,859	137,331
Technology	0	0	0	1,000	1,000	1,000
Transportation	7,214	0	7,214	13,000	17,000	9,786
<u>Operation of Non-Instructional Services</u>						
Community Services	484,594	0	484,594	0	567,714	83,120
Total Expenditures	\$ 12,621,858	\$ 33,709	\$ 12,655,567	\$ 11,292,575	\$ 14,181,730	\$ 1,526,163
Excess (Deficiency) of Revenues Over Expenditures	\$ 144,032	\$ (33,709)	\$ 110,323	\$ 111,764	\$ 305,804	\$ (195,481)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (141,691)	\$ 0	\$ (141,691)	\$ (111,764)	\$ (305,804)	\$ 164,113
Total Other Financing Sources	\$ (141,691)	\$ 0	\$ (141,691)	\$ (111,764)	\$ (305,804)	\$ 164,113

(Continued)

Exhibit J-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 2,341	\$ (33,709)	\$ (31,368)	\$ 0	\$ 0	\$ (31,368)
Fund Balance, July 1, 2019	500,000	0	500,000	0	0	500,000
Fund Balance, June 30, 2020	\$ 502,341	\$ (33,709)	\$ 468,632	\$ 0	\$ 0	\$ 468,632

Exhibit J-8

Sumner County, Tennessee
Statement of Net Position
Discretely Presented Sumner County School Department
Proprietary Fund
June 30, 2020

Governmental
 Activities -
 Internal
 Service Fund

 Employee
 Insurance
 Fund

ASSETS

Current Assets:	
Equity in Pooled Cash and Investments	\$ 35,904,275
Accounts Receivable	74,871
Total Assets	<u>\$ 35,979,146</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 700,110
Total Current Liabilities	<u>\$ 700,110</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	\$ 3,146,425
Total Noncurrent Liabilities	<u>\$ 3,146,425</u>
Total Liabilities	<u>\$ 3,846,535</u>

NET POSITION

Unrestricted	<u>\$ 32,132,611</u>
Total Net Position	<u>\$ 32,132,611</u>

Exhibit J-9

Sumner County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Sumner County School Department
Proprietary Fund
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 54,101,821
Other Local Revenues:	
Retirees' Insurance Payments	2,178,850
State of Tennessee:	
On-Behalf Contributions for OPEB	181,791
Total Operating Revenues	<u>\$ 56,462,462</u>
<u>Operating Expenses</u>	
Other Programs:	
On-behalf Payments to OPEB	\$ 181,791
Central and Other:	
Handling Charges and Administrative Costs	3,124,556
Legal Services	1,470
Medical and Dental Services	1,664,501
Drugs and Medical Supplies	442,604
Excess Risk Insurance	1,367,332
Other Charges	150
Building Improvements	219,553
Medical Claims	42,192,645
Total Operating Expenses	<u>\$ 49,194,602</u>
Operating Income (Loss)	<u>\$ 7,267,860</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 1,262,059
Investment Income	72,271
Total Nonoperating Revenues (Expenses)	<u>\$ 1,334,330</u>
Change in Net Position	\$ 8,602,190
Net Position, July 1, 2019	<u>23,530,421</u>
Net Position, June 30, 2020	<u><u>\$ 32,132,611</u></u>

Sumner County, Tennessee
Statement of Cash Flows
Discretely Presented Sumner County School Department
Proprietary Fund
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund Employee Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 56,504,409
Payments to Suppliers	(6,638,486)
Claims Paid	(43,998,406)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 5,867,517</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Insurance Recovery	\$ 1,262,059
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 1,262,059</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 72,271
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 72,271</u>
Net Increase (Decrease) In Cash	\$ 7,201,847
Cash, July 1, 2019	<u>28,702,428</u>
Cash, June 30, 2020	<u><u>\$ 35,904,275</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 7,267,860
Adjustments to Reconcile Net Operating Income (Loss) to	
Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	41,947
Increase (Decrease) in Accounts Payable	368,868
Increase (Decrease) in Due to Other Funds	(5,397)
Increase (Decrease) in Claims and Judgments Payable	<u>(1,805,761)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 5,867,517</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Sumner County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Paid and/or Matured During Period	Outstanding 6-30-20
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation	\$ 6,555,000	2.83	% 1-29-10	5-22-20	\$ 1,475,000	\$ 1,475,000	\$ 0
School Refunding	112,210,000	2.86	5-17-11	6-1-23	46,825,000	9,785,000	37,040,000
General Obligation	30,000,000	1.5 to 5	6-7-13	12-1-23	18,910,000	2,140,000	16,770,000
General Obligation	69,400,000	2 to 5	4-29-15	12-1-35	61,025,000	2,505,000	58,520,000
General Obligation School and Public Improvement	95,415,000	2 to 5	1-31-19	12-1-38	95,415,000	1,820,000	93,595,000
Total Bonds Payable					<u>\$ 223,650,000</u>	<u>\$ 17,725,000</u>	<u>\$ 205,925,000</u>

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 19,840,000	\$ 8,144,037	\$ 27,984,037
2022	20,730,000	7,161,637	27,891,637
2023	21,650,000	6,193,514	27,843,514
2024	16,665,000	5,087,762	21,752,762
2025	6,995,000	4,596,262	11,591,262
2026	7,350,000	4,237,637	11,587,637
2027	7,715,000	3,895,713	11,610,713
2028	8,100,000	3,571,387	11,671,387
2029	8,465,000	3,212,487	11,677,487
2030	8,820,000	2,838,087	11,658,087
2031	9,190,000	2,466,738	11,656,738
2032	9,525,000	2,134,162	11,659,162
2033	9,820,000	1,843,987	11,663,987
2034	10,135,000	1,541,078	11,676,078
2035	10,465,000	1,218,254	11,683,254
2036	10,815,000	878,232	11,693,232
2037	6,320,000	598,776	6,918,776
2038	6,540,000	381,764	6,921,764
2039	6,785,000	135,700	6,920,700
Total	<u>\$ 205,925,000</u>	<u>\$ 60,137,214</u>	<u>\$ 266,062,214</u>

Exhibit K-3

Sumner County, Tennessee
Schedule of Notes Receivable
Primary Government
June 30, 2020

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance
<u>PRIMARY GOVERNMENT</u>						
<u>General Fund</u>						
Various Capital Improvements	Music City Executive Airport Authority	\$ 800,000	1-2-14	1-2-23	3 %	<u>\$ 800,000</u>
Total Notes Receivable						<u><u>\$ 800,000</u></u>

Exhibit K-4

Sumner County, Tennessee
Schedule of Transfers
Discretely Presented Sumner County School Department
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 141,691</u>
Total Transfers Discretely Presented Sumner County School Department			<u><u>\$ 141,691</u></u>

Exhibit K-5

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

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Sections 8-24-102 and 5-1-310, <i>TCA</i>	\$ 122,179	(1)	\$ 100,000	Hartford Fire Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	114,932		100,000	"
Director of Schools	State Board of Education and Local Board of Education	200,525	(5)	100,000	Western Surety Company
Trustee	Sections 8-24-102 and 5-1-310, <i>TCA</i>	104,483		7,584,768	Ohio Casualty Insurance Company
Assessor of Property	Sections 8-24-102 and 5-1-310, <i>TCA</i>	105,983	(1)(6)	50,000	Western Surety Company
Director of Finance	County Commission	131,043	(2)	100,000	Hartford Fire Insurance Company
County Clerk	Sections 8-24-102 and 5-1-310, <i>TCA</i>	105,983	(1)	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Sections 8-24-102 and 5-1-310, <i>TCA</i>	105,983	(1)	100,000	"
Clerk and Master	Sections 8-24-102 and 5-1-310, <i>TCA</i> , and Chancery Court	105,983	(1)(3)	100,000	"
Register of Deeds	Sections 8-24-102 and 5-1-310, <i>TCA</i>	105,983	(1)	100,000	Western Surety Company
Sheriff	Section 8-24-102, <i>TCA</i>	114,932	(4)	100,000	The Cincinnati Insurance Company
Employee Blanket Bonds					
Public Employee Dishonesty - County Departments				150,000	Travelers Casualty and Surety Company of America
Public Employee Dishonesty - School Department				150,000	"

- (1) Includes an education supplement of \$1,500.
(2) Does not include longevity pay of \$1,050.
(3) Does not include special commissioner fees totaling \$11,350.
(4) Does not include a law enforcement training supplement of \$800.
(5) Does not include a 403(b) retirement contribution of \$5,000 and vacation leave payout of \$15,225.
(6) Does not include the Tennessee certified assessor's pay of \$1,000.

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 28,400,724	\$ 0	\$ 0	\$ 0	\$ 730,569	\$ 16,529,026
Trustee's Collections - Prior Year	251,845	0	0	0	5,889	19,155
Trustee's Collections - Bankruptcy	8,797	0	0	0	240	4,268
Circuit Clerk/Clerk and Master Collections - Prior Years	215,258	0	0	0	5,795	11,667
Interest and Penalty	77,524	0	0	0	2,051	24,036
Payments in-Lieu-of Taxes - T.V.A.	1,036	0	0	0	27	603
Payments in-Lieu-of Taxes - Local Utilities	158,062	0	0	0	4,061	91,991
Payments in-Lieu-of Taxes - Other	40,527	0	0	0	959	17,530
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	10,434,158
Hotel/Motel Tax	758,814	0	0	0	0	0
Local Amusement Tax	1,378	0	0	0	0	0
Wheel Tax	0	0	0	0	2,246,518	0
Litigation Tax - General	265,808	0	0	0	0	0
Litigation Tax - Special Purpose	132,635	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	267,568	0	0	0	0
Litigation Tax - Courthouse Security	265,538	0	0	0	0	0
Business Tax	2,346,218	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	210,476	0
Adequate Facilities/Development Tax	0	0	0	0	0	2,579,792
<u>Statutory Local Taxes</u>						
Bank Excise Tax	999,827	0	0	0	0	0
Wholesale Beer Tax	494,561	0	0	0	0	0
Beer Privilege Tax	2,526	0	0	0	0	0
Other Statutory Local Taxes	11,771	0	0	0	0	0
Total Local Taxes	\$ 34,432,849	\$ 267,568	\$ 0	\$ 0	\$ 3,206,585	\$ 29,712,226

(Continued)

Exhibit K-6

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

		Special Revenue Funds				Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 5,334	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	532,489	0	0	0	0	0
<u>Permits</u>						
Beer Permits	712	0	0	0	0	0
Building Permits	601,875	0	0	0	0	0
Other Permits	3,895	0	0	0	29,100	0
Total Licenses and Permits	\$ 1,144,305	\$ 0	\$ 0	\$ 0	\$ 29,100	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 32,780	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	53,980	0	0	0	0	0
Drug Control Fines	0	0	1,866	0	0	0
DUI Treatment Fines	5,831	0	0	0	0	0
Data Entry Fee - Circuit Court	55,956	0	0	0	0	0
Courtroom Security Fee	1,929	0	0	0	0	0
<u>Criminal Court</u>						
Drug Court Fees	23,517	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	55,744	0	0	0	0	0
Officers Costs	222,818	0	0	0	0	0
Drug Control Fines	0	0	5,798	0	0	0
Drug Court Fees	31,375	0	0	0	0	0
DUI Treatment Fines	26,101	0	0	0	0	0
Courtroom Security Fee	6,385	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 4,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	20,116	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	6,230	0	0	0	0	0
Data Entry Fee - Chancery Court	10,364	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines for Littering	48	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	8,991	0	0	0
Other Fines, Forfeitures, and Penalties	899	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 558,934	\$ 0	\$ 16,655	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 88,432	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	7,280,164	0	0	0	0	0
Zoning Studies	11,560	0	0	0	0	0
Work Release Charges for Board	640	0	0	0	0	0
Other General Service Charges	0	0	16,000	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	151,575	0	0	0	0	0
Engineer Review Fees	55,025	0	0	0	0	0
Copy Fees	1,827	0	0	0	0	0
Library Fees	36,672	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Greenbelt Late Application Fee	\$ 2,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	0	381,166	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	11,350	0	0
Data Processing Fee - Register	84,504	0	0	0	0	0
Probation Fees	428,305	0	0	0	0	0
Data Processing Fee - Sheriff	14,578	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,050	0	0	0	0	0
Data Processing Fee - County Clerk	80,766	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	5,870	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	47,530	0	0	0	0	0
Total Charges for Current Services	<u>\$ 8,297,348</u>	<u>\$ 381,166</u>	<u>\$ 16,000</u>	<u>\$ 11,350</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 251,949	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	180,220	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	291	0
Commissary Sales	352,738	0	0	0	0	0
Sale of Gasoline	0	0	0	0	21,000	0
Sale of Recycled Materials	2,286	0	0	0	3,575	0
E-Rate Funding	501	0	0	0	0	0
Sale of Animals/Livestock	48,908	0	0	0	0	0
Miscellaneous Refunds	75,441	494	0	0	2,446	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 84,111	\$ 0	\$ 0	\$ 0	\$ 120,169	\$ 0
Sale of Property	10	0	0	0	0	0
Damages Recovered from Individuals	400	9,795	0	0	0	0
Contributions and Gifts	207,071	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	2,022,135	188	0	0	0	0
Total Other Local Revenues	<u>\$ 3,225,770</u>	<u>\$ 10,477</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 147,481</u>	<u>\$ 0</u>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	2,343,172	0	0	0	0	0
Circuit Court Clerk	2,036,156	0	0	0	0	0
Clerk and Master	382,652	0	0	0	0	0
Register	1,623,557	0	0	0	0	0
Sheriff	76,394	0	0	0	0	0
Trustee	3,911,711	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 10,374,242</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	81,600	0	0	0	0	0
Other Public Safety Grants	149,974	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 1,362,536	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	242,927	0
State Aid Program	0	0	0	0	381,886	0
Litter Program	0	0	0	0	83,551	0
<u>Other State Revenues</u>						
Flood Control	98,352	0	0	0	0	0
Income Tax	282,848	0	0	0	0	0
Beer Tax	18,176	0	0	0	0	0
Vehicle Certificate of Title Fees	20,651	0	0	0	0	0
Alcoholic Beverage Tax	277,949	0	0	0	0	0
State Revenue Sharing - T.V.A.	2,217,959	0	0	0	0	0
State Revenue Sharing - Telecommunications	49,116	0	0	0	1,262	28,585
Emergency Hospital - Prisoners	804,484	0	0	0	0	0
Contracted Prisoner Boarding	3,008,421	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	3,859,546	0
Petroleum Special Tax	0	0	0	0	115,912	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	294,772	0	0	0	0	0
Other State Revenues	174,372	0	0	0	0	8,437
Total State of Tennessee	\$ 8,865,374	\$ 0	\$ 0	\$ 0	\$ 4,685,084	\$ 37,022
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-6

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

	General	Special Revenue Funds				Debt Service Fund
		Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Disaster Relief	\$ 8,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	138,128	0	0	0	0	0
Law Enforcement Grants	39,613	0	0	0	0	0
COVID-19 Grant #1	151,139	0	0	0	0	0
COVID-19 Grant #4	13,031	0	0	0	0	0
COVID-19 Grant E	0	0	0	0	2,221	0
Other Federal through State	177,930	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	17,222	0	0	0	0	0
Other Direct Federal Revenue	146,617	0	0	0	0	0
Total Federal Government	<u>\$ 692,190</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,221</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 284,100	\$ 0
Contributions	329,152	0	0	0	0	0
Contracted Services	3,540	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	100	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 332,792</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 284,100</u>	<u>\$ 0</u>
Total	<u>\$ 67,923,804</u>	<u>\$ 659,211</u>	<u>\$ 32,655</u>	<u>\$ 11,350</u>	<u>\$ 8,354,571</u>	<u>\$ 29,749,248</u>

(Continued)

Exhibit K-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 9,931,648	\$ 55,591,967
Trustee's Collections - Prior Year	200,365	477,254
Trustee's Collections - Bankruptcy	3,550	16,855
Circuit Clerk/Clerk and Master Collections - Prior Years	174,112	406,832
Interest and Penalty	45,260	148,871
Payments in-Lieu-of Taxes - T.V.A.	362	2,028
Payments in-Lieu-of Taxes - Local Utilities	55,274	309,388
Payments in-Lieu-of Taxes - Other	16,402	75,418
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	10,434,158
Hotel/Motel Tax	0	758,814
Local Amusement Tax	0	1,378
Wheel Tax	0	2,246,518
Litigation Tax - General	109,211	375,019
Litigation Tax - Special Purpose	0	132,635
Litigation Tax - Jail, Workhouse, or Courthouse	0	267,568
Litigation Tax - Courthouse Security	0	265,538
Business Tax	0	2,346,218
Mineral Severance Tax	0	210,476
Adequate Facilities/Development Tax	2,555	2,582,347
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	999,827
Wholesale Beer Tax	0	494,561
Beer Privilege Tax	0	2,526
Other Statutory Local Taxes	0	11,771
Total Local Taxes	\$ 10,538,739	\$ 78,157,967

(Continued)

Exhibit K-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<hr/>		
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 5,334
Cable TV Franchise	0	532,489
<u>Permits</u>		
Beer Permits	0	712
Building Permits	0	601,875
Other Permits	0	32,995
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,173,405</u>
<hr/>		
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 32,780
Officers Costs	0	53,980
Drug Control Fines	0	1,866
DUI Treatment Fines	0	5,831
Data Entry Fee - Circuit Court	0	55,956
Courtroom Security Fee	0	1,929
<u>Criminal Court</u>		
Drug Court Fees	0	23,517
<u>General Sessions Court</u>		
Fines	0	55,744
Officers Costs	0	222,818
Drug Control Fines	0	5,798
Drug Court Fees	0	31,375
DUI Treatment Fines	0	26,101
Courtroom Security Fee	0	6,385

(Continued)

Exhibit K-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Juvenile Court</u>		
Fines	\$ 0	\$ 4,855
Officers Costs	0	20,116
<u>Chancery Court</u>		
Officers Costs	0	6,230
Data Entry Fee - Chancery Court	0	10,364
Courtroom Security Fee	0	6
<u>Other Courts - In-county</u>		
Fines for Littering	0	48
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	8,991
Other Fines, Forfeitures, and Penalties	0	899
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 575,589</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Self-Insurance Premiums/Contributions	\$ 0	\$ 88,432
Patient Charges	0	7,280,164
Zoning Studies	0	11,560
Work Release Charges for Board	0	640
Other General Service Charges	0	16,000
<u>Fees</u>		
Subdivision Lot Fees	0	151,575
Engineer Review Fees	0	55,025
Copy Fees	0	1,827
Library Fees	0	36,672

(Continued)

Exhibit K-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Greenbelt Late Application Fee	\$ 0	\$ 2,850
Telephone Commissions	0	381,166
Special Commissioner Fees/Special Master Fees	0	11,350
Data Processing Fee - Register	0	84,504
Probation Fees	0	428,305
Data Processing Fee - Sheriff	0	14,578
Sexual Offender Registration Fee - Sheriff	0	7,050
Data Processing Fee - County Clerk	0	80,766
Vehicle Insurance Coverage and Reinstatement Fees	0	5,870
<u>Education Charges</u>		
Other Charges for Services	0	47,530
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 8,705,864</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 3,375,756	\$ 3,627,705
Lease/Rentals	0	180,220
Sale of Materials and Supplies	0	291
Commissary Sales	0	352,738
Sale of Gasoline	0	21,000
Sale of Recycled Materials	0	5,861
E-Rate Funding	0	501
Sale of Animals/Livestock	0	48,908
Miscellaneous Refunds	46,324	124,705

(Continued)

Exhibit K-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>		
<u>Nonrecurring Items</u>		
Sale of Equipment	\$ 0	\$ 204,280
Sale of Property	0	10
Damages Recovered from Individuals	0	10,195
Contributions and Gifts	0	207,071
<u>Other Local Revenues</u>		
Other Local Revenues	0	2,022,323
Total Other Local Revenues	<u>\$ 3,422,080</u>	<u>\$ 6,805,808</u>
<u>Fees Received From County Officials</u>		
<u>Excess Fees</u>		
Trustee	\$ 0	\$ 600
<u>Fees In-Lieu-of Salary</u>		
County Clerk	0	2,343,172
Circuit Court Clerk	0	2,036,156
Clerk and Master	0	382,652
Register	0	1,623,557
Sheriff	0	76,394
Trustee	0	3,911,711
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 10,374,242</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	81,600
Other Public Safety Grants	0	149,974

(Continued)

Exhibit K-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>		
Health and Welfare Grants		
Health Department Programs	\$ 0	\$ 1,362,536
<u>Public Works Grants</u>		
Bridge Program	0	242,927
State Aid Program	0	381,886
Litter Program	0	83,551
<u>Other State Revenues</u>		
Flood Control	0	98,352
Income Tax	0	282,848
Beer Tax	0	18,176
Vehicle Certificate of Title Fees	0	20,651
Alcoholic Beverage Tax	0	277,949
State Revenue Sharing - T.V.A.	0	2,217,959
State Revenue Sharing - Telecommunications	17,176	96,139
Emergency Hospital - Prisoners	0	804,484
Contracted Prisoner Boarding	0	3,008,421
Gasoline and Motor Fuel Tax	0	3,859,546
Petroleum Special Tax	0	115,912
Registrar's Salary Supplement	0	15,164
Other State Grants	0	294,772
Other State Revenues	0	182,809
Total State of Tennessee	\$ 17,176	\$ 13,604,656
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	\$ 114,476	\$ 114,476

(Continued)

Exhibit K-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Disaster Relief	\$ 0	\$ 8,510
Homeland Security Grants	0	138,128
Law Enforcement Grants	0	39,613
COVID-19 Grant #1	0	151,139
COVID-19 Grant #4	0	13,031
COVID-19 Grant E	0	2,221
Other Federal through State	5,001	182,931
<u>Direct Federal Revenue</u>		
Police Service (Lake Area)	0	17,222
Other Direct Federal Revenue	0	146,617
Total Federal Government	<u>\$ 119,477</u>	<u>\$ 813,888</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Paving and Maintenance	\$ 0	\$ 284,100
Contributions	0	329,152
Contracted Services	0	3,540
<u>Citizens Groups</u>		
Donations	0	100
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 616,892</u>
Total	<u>\$ 14,097,472</u>	<u>\$ 120,828,311</u>

Exhibit K-7

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

	Special Revenue Fund		
	General Purpose School	School Federal Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 78,623,804	\$ 0	\$ 78,623,804
Trustee's Collections - Prior Year	689,659	0	689,659
Circuit Clerk/Clerk and Master Collections - Prior Years	565,426	0	565,426
Interest and Penalty	208,686	0	208,686
Payments in-Lieu-of Taxes - T.V.A.	2,868	0	2,868
Payments in-Lieu-of Taxes - Local Utilities	437,502	0	437,502
Payments in-Lieu-of Taxes - Other	186,917	0	186,917
<u>County Local Option Taxes</u>			
Local Option Sales Tax	20,871,447	0	20,871,447
Wheel Tax	5,240,511	0	5,240,511
Mixed Drink Tax	346,866	0	346,866
Total Local Taxes	<u>\$ 107,173,686</u>	<u>\$ 0</u>	<u>\$ 107,173,686</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 5,334	\$ 0	\$ 5,334
<u>Permits</u>			
Other Permits	1,817	0	1,817
Total Licenses and Permits	<u>\$ 7,151</u>	<u>\$ 0</u>	<u>\$ 7,151</u>
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Tuition - Regular Day Students	\$ 5,000	\$ 0	\$ 5,000
Tuition - Other	6,012	0	6,012
Lunch Payments - Children	3,735,351	0	3,735,351
Lunch Payments - Adults	64,701	0	64,701
Income from Breakfast	402,045	0	402,045
Receipts from Individual Schools	485,135	0	485,135
Community Service Fees - Children	1,944,575	0	1,944,575
Other Charges for Services	292,074	0	292,074
Total Charges for Current Services	<u>\$ 6,934,893</u>	<u>\$ 0</u>	<u>\$ 6,934,893</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 43,154	\$ 0	\$ 43,154
Lease/Rentals	42,138	0	42,138
Sale of Materials and Supplies	38,824	0	38,824
Miscellaneous Refunds	57,841	0	57,841

(Continued)

Exhibit K-7

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

	General Purpose School	Special Revenue Fund School Federal Projects	Total
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items</u>			
Sale of Equipment	\$ 28,246	\$ 0	\$ 28,246
Damages Recovered from Individuals	5,315	0	5,315
Contributions and Gifts	1,022,228	0	1,022,228
<u>Other Local Revenues</u>			
Other Local Revenues	49,400	0	49,400
Total Other Local Revenues	\$ 1,287,146	\$ 0	\$ 1,287,146
<u>State of Tennessee</u>			
<u>State Education Funds</u>			
Basic Education Program	\$ 153,366,419	\$ 0	\$ 153,366,419
Early Childhood Education	365,681	0	365,681
School Food Service	114,441	0	114,441
Other State Education Funds	31,344	0	31,344
Career Ladder Program	427,279	0	427,279
<u>Other State Revenues</u>			
State Revenue Sharing - Telecommunications	135,949	0	135,949
Other State Grants	465,053	0	465,053
Safe Schools	386,703	0	386,703
Other State Revenues	16,877	0	16,877
Total State of Tennessee	\$ 155,309,746	\$ 0	\$ 155,309,746
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA School Lunch Program	\$ 4,767,249	\$ 0	\$ 4,767,249
USDA - Commodities	903,500	0	903,500
Breakfast	1,791,513	0	1,791,513
USDA - Other	79,611	0	79,611
Vocational Education - Basic Grants to States	0	325,020	325,020
Other Vocational	0	62,592	62,592
Title I Grants to Local Education Agencies	0	4,551,902	4,551,902
Special Education - Grants to States	259,953	5,788,132	6,048,085
Special Education Preschool Grants	0	127,243	127,243
English Language Acquisition Grants	0	73,367	73,367
Education for Homeless Children and Youth	0	49,891	49,891
Eisenhower Professional Development State Grants	0	967,844	967,844
Other Federal through State	45,465	819,899	865,364
<u>Direct Federal Revenue</u>			
ROTC Reimbursement	256,981	0	256,981
Total Federal Government	\$ 8,104,272	\$ 12,765,890	\$ 20,870,162
Total	\$ 278,816,894	\$ 12,765,890	\$ 291,582,784

Exhibit K-8

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

General FundGeneral GovernmentCounty Commission

Other Salaries and Wages	\$	21,000	
Board and Committee Members Fees		144,000	
Social Security		9,179	
Pensions		1,167	
Employer Medicare		2,234	
Audit Services		61,045	
Data Processing Services		9,500	
Dues and Memberships		29,294	
Legal Notices, Recording, and Court Costs		1,188	
Postal Charges		50	
Printing, Stationery, and Forms		1,314	
Other Contracted Services		2,296	
Electricity		819	
Other Supplies and Materials		605	
Other Charges		3,993	
Other Equipment		76	
Total County Commission			\$ 287,760

Board of Equalization

Board and Committee Members Fees	\$	9,800	
Advertising		217	
Total Board of Equalization			10,017

Other Boards and Committees

Board and Committee Members Fees	\$	8,300	
Evaluation and Testing		4,208	
Total Other Boards and Committees			12,508

County Mayor/Executive

County Official/Administrative Officer	\$	122,179	
Assistant(s)		161,227	
Longevity Pay		2,700	
Social Security		17,062	
Pensions		30,635	
Life Insurance		523	
Medical Insurance		38,194	
Dental Insurance		1,256	
Employer Medicare		3,990	
Communication		2,190	
Data Processing Services		1,079	
Dues and Memberships		2,200	
Maintenance Agreements		1,168	
Postal Charges		440	
Printing, Stationery, and Forms		1,073	
Travel		5,266	
Maintenance and Repair Services - Records		63	
Data Processing Supplies		410	

(Continued)

Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)County Mayor/Executive (Cont.)

Food Preparation Supplies	\$	91	
Food Supplies		737	
Office Supplies		638	
Periodicals		87	
Other Supplies and Materials		92	
In Service/Staff Development		1,570	
Other Charges		2,900	
Communication Equipment		96	
Data Processing Equipment		828	
Total County Mayor/Executive			\$ 398,694

County Attorney

County Official/Administrative Officer	\$	179,089	
Longevity Pay		4,350	
Other Salaries and Wages		187,244	
Social Security		19,701	
Pensions		40,382	
Life Insurance		527	
Medical Insurance		34,879	
Dental Insurance		1,220	
Disability Insurance		2,759	
Employer Medicare		5,238	
Communication		3,028	
Data Processing Services		19,670	
Dues and Memberships		1,969	
Legal Notices, Recording, and Court Costs		64	
Maintenance Agreements		2,149	
Postal Charges		654	
Printing, Stationery, and Forms		720	
Travel		989	
Maintenance and Repair Services - Records		270	
Other Contracted Services		2,552	
Custodial Supplies		134	
Data Processing Supplies		821	
Food Preparation Supplies		53	
Food Supplies		453	
General Construction Materials		5	
Office Supplies		1,916	
Periodicals		6,942	
Other Supplies and Materials		46	
In Service/Staff Development		790	
Other Charges		818	
Communication Equipment		328	
Data Processing Equipment		617	
Furniture and Fixtures		1,099	
Total County Attorney			521,476

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	94,035	
Deputy(ies)		228,530	
Longevity Pay		3,900	
Overtime Pay		5,226	
Other Salaries and Wages		65,346	
Election Commission		8,000	
Election Workers		130,085	
Social Security		29,004	
Pensions		36,092	
Life Insurance		637	
Medical Insurance		73,888	
Dental Insurance		2,357	
Employer Medicare		6,783	
Communication		1,328	
Data Processing Services		45,351	
Legal Notices, Recording, and Court Costs		5,978	
Maintenance Agreements		3,676	
Maintenance and Repair Services - Buildings		214	
Maintenance and Repair Services - Office Equipment		742	
Postal Charges		4,199	
Printing, Stationery, and Forms		14,893	
Rentals		80	
Travel		1,423	
Other Contracted Services		275	
Custodial Supplies		1,734	
Data Processing Supplies		4,879	
Drugs and Medical Supplies		4,981	
Food Preparation Supplies		240	
Food Supplies		796	
Office Supplies		4,194	
Periodicals		1,052	
Uniforms		1,572	
Software		623	
Other Supplies and Materials		22,642	
In Service/Staff Development		645	
Communication Equipment		1,799	
Data Processing Equipment		32,422	
Furniture and Fixtures		3,148	
Office Equipment		21	
Other Equipment		3,882	
Total Election Commission			\$ 846,672

Register of Deeds

County Official/Administrative Officer	\$	105,983
Deputy(ies)		365,718
Longevity Pay		8,475
Social Security		27,442

(Continued)

Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Pensions	\$	52,011	
Life Insurance		952	
Medical Insurance		108,028	
Dental Insurance		3,363	
Employer Medicare		6,418	
Communication		1,266	
Data Processing Services		33,393	
Dues and Memberships		1,098	
Maintenance Agreements		1,894	
Postal Charges		1,393	
Printing, Stationery, and Forms		94	
Travel		863	
Maintenance and Repair Services - Records		10,030	
Custodial Supplies		342	
Data Processing Supplies		2,163	
Food Preparation Supplies		338	
Office Supplies		1,775	
Periodicals		20	
In Service/Staff Development		925	
Communication Equipment		812	
Data Processing Equipment		12,450	
Total Register of Deeds			\$ 747,246

Planning

Assistant(s)	\$	57,865
Supervisor/Director		93,031
Investigator(s)		146,588
Paraprofessionals		7,115
Secretary(ies)		42,078
Part-time Personnel		18,479
Longevity Pay		3,225
Social Security		21,695
Pensions		37,487
Life Insurance		677
Medical Insurance		61,311
Dental Insurance		2,290
Employer Medicare		5,074
Advertising		1,970
Communication		2,351
Data Processing Services		150
Dues and Memberships		15,303
Licenses		140
Maintenance Agreements		6,300
Maintenance and Repair Services - Vehicles		452
Postal Charges		1,062
Printing, Stationery, and Forms		922
Travel		1,776

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Permits	\$	3,460	
Other Contracted Services		50,017	
Data Processing Supplies		571	
Duplicating Supplies		450	
Food Preparation Supplies		6	
Food Supplies		782	
Gasoline		4,211	
General Construction Materials		61	
Office Supplies		1,671	
Small Tools		191	
Uniforms		1,476	
Vehicle Parts		214	
Software		4,455	
Other Supplies and Materials		70	
In Service/Staff Development		2,225	
Other Charges		62	
Communication Equipment		299	
Data Processing Equipment		3,928	
Furniture and Fixtures		3,355	
Total Planning			\$ 604,845

Building

Supervisor/Director	\$	79,317
Investigator(s)		192,959
Secretary(ies)		72,733
Longevity Pay		3,750
Social Security		20,288
Pensions		38,003
Life Insurance		702
Medical Insurance		74,809
Dental Insurance		2,404
Employer Medicare		4,745
Communication		3,063
Consultants		275
Data Processing Services		3,498
Dues and Memberships		460
Maintenance Agreements		2,478
Maintenance and Repair Services - Office Equipment		27
Maintenance and Repair Services - Vehicles		5,430
Postal Charges		2,965
Printing, Stationery, and Forms		1,716
Travel		759
Maintenance and Repair Services - Records		2,400
Other Contracted Services		2,202
Custodial Supplies		19
Data Processing Supplies		641
Food Preparation Supplies		31

(Continued)

Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Building (Cont.)

Food Supplies	\$	1,078	
Gasoline		7,643	
Office Supplies		1,855	
Periodicals		78	
Small Tools		16	
Uniforms		1,630	
Vehicle Parts		336	
Other Supplies and Materials		452	
In Service/Staff Development		697	
Other Charges		287	
Communication Equipment		960	
Data Processing Equipment		2,445	
Furniture and Fixtures		242	
Other Equipment		159	
Total Building			\$ 533,552

County Buildings

Maintenance Personnel	\$	260,171
Part-time Personnel		26,528
Longevity Pay		5,925
Other Salaries and Wages		8,000
Social Security		17,339
Pensions		29,321
Life Insurance		530
Medical Insurance		79,247
Dental Insurance		2,901
Employer Medicare		4,055
Communication		33,429
Data Processing Services		5,334
Janitorial Services		8,500
Maintenance Agreements		610
Maintenance and Repair Services - Buildings		57,974
Maintenance and Repair Services - Equipment		13,049
Maintenance and Repair Services - Vehicles		192
Disposal Fees		250
Permits		110
Other Contracted Services		147,844
Custodial Supplies		7,548
Drugs and Medical Supplies		478
Electricity		718,783
Equipment and Machinery Parts		429
Food Supplies		41
Gasoline		41
General Construction Materials		17,830
Natural Gas		168,928
Propane Gas		6,061
Small Tools		1,108

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Water and Sewer	\$	248,716	
Chemicals		49	
Other Supplies and Materials		280	
Building Improvements		34,283	
Furniture and Fixtures		1,495	
Heating and Air Conditioning Equipment		8,349	
Maintenance Equipment		1,499	
Motor Vehicles		62,970	
Total County Buildings			\$ 1,980,197

Preservation of Records

Clerical Personnel	\$	62,118	
Longevity Pay		1,275	
Social Security		3,657	
Pensions		6,888	
Life Insurance		92	
Medical Insurance		13,840	
Dental Insurance		478	
Employer Medicare		855	
Communication		865	
Data Processing Services		1,000	
Dues and Memberships		105	
Maintenance Agreements		1,186	
Postal Charges		138	
Printing, Stationery, and Forms		211	
Data Processing Supplies		800	
Office Supplies		1,103	
In Service/Staff Development		85	
Total Preservation of Records			94,696

Risk Management

Building and Contents Insurance	\$	62,222	
Liability Insurance		1,010,751	
Premiums on Corporate Surety Bonds		410	
Workers' Compensation Insurance		449,230	
Total Risk Management			1,522,613

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	131,043	
Accountants/Bookkeepers		422,331	
Librarians		13,689	
Longevity Pay		10,125	
Social Security		32,242	
Pensions		61,073	
Life Insurance		1,069	
Medical Insurance		118,269	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Dental Insurance	\$	4,476	
Employer Medicare		7,740	
Advertising		1,998	
Communication		2,765	
Consultants		5,250	
Data Processing Services		21,533	
Dues and Memberships		445	
Evaluation and Testing		29	
Maintenance Agreements		2,464	
Postal Charges		5,614	
Printing, Stationery, and Forms		374	
Travel		354	
Maintenance and Repair Services - Records		428	
Other Contracted Services		200	
Custodial Supplies		222	
Data Processing Supplies		4,211	
Food Preparation Supplies		69	
Food Supplies		1,113	
Office Supplies		5,170	
Periodicals		740	
Software		2,169	
Other Supplies and Materials		18	
In Service/Staff Development		2,202	
Communication Equipment		29	
Data Processing Equipment		10,829	
Furniture and Fixtures		5,801	
Other Equipment		2,227	
Total Accounting and Budgeting			\$ 878,311

Property Assessor's Office

County Official/Administrative Officer	\$	106,983
Data Processing Personnel		157,460
Assessment Personnel		117,107
Longevity Pay		14,850
Other Salaries and Wages		109,340
Social Security		28,779
Pensions		54,816
Life Insurance		983
Medical Insurance		116,605
Dental Insurance		4,442
Employer Medicare		6,731
Communication		204
Data Processing Services		26,245
Dues and Memberships		3,405
Legal Services		2,768
Maintenance Agreements		2,109
Postal Charges		3,250

(Continued)

Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Printing, Stationery, and Forms	\$	1,000	
Travel		2,634	
Office Supplies		903	
Software		109	
Premiums on Corporate Surety Bonds		225	
In Service/Staff Development		2,970	
Other Charges		12	
Communication Equipment		187	
Data Processing Equipment		550	
Total Property Assessor's Office			\$ 764,667

Reappraisal Program

Supervisor/Director	\$	129,923	
Data Processing Personnel		25,092	
Longevity Pay		8,550	
Other Salaries and Wages		193,872	
Social Security		20,514	
Pensions		36,140	
Life Insurance		630	
Medical Insurance		66,368	
Dental Insurance		2,909	
Employer Medicare		4,798	
Audit Services		28,935	
Communication		3,331	
Data Processing Services		94,811	
Maintenance Agreements		1,834	
Maintenance and Repair Services - Vehicles		4,414	
Postal Charges		4,765	
Printing, Stationery, and Forms		3,180	
Travel		2,131	
Data Processing Supplies		2,468	
Food Supplies		664	
Gasoline		5,421	
Office Supplies		1,932	
Periodicals		669	
Software		1,308	
Communication Equipment		296	
Data Processing Equipment		2,928	
Total Reappraisal Program			647,883

County Trustee's Office

County Official/Administrative Officer	\$	104,483	
Deputy(ies)		185,765	
Longevity Pay		3,150	
Social Security		16,956	
Pensions		29,080	
Life Insurance		557	

(Continued)

Exhibit K-8

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

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

Medical Insurance	\$	62,699	
Dental Insurance		2,143	
Employer Medicare		3,965	
Communication		1,084	
Data Processing Services		26,871	
Dues and Memberships		1,018	
Legal Notices, Recording, and Court Costs		131	
Maintenance Agreements		1,662	
Postal Charges		36,813	
Printing, Stationery, and Forms		12,588	
Travel		1,678	
Custodial Supplies		60	
Data Processing Supplies		1,606	
Food Preparation Supplies		128	
Food Supplies		948	
Office Supplies		1,405	
In Service/Staff Development		1,165	
Data Processing Equipment		2,468	
Total County Trustee's Office			\$ 498,423

County Clerk's Office

County Official/Administrative Officer	\$	105,983
Deputy(ies)		993,226
Longevity Pay		28,050
Social Security		62,775
Pensions		116,187
Life Insurance		2,022
Medical Insurance		272,535
Dental Insurance		9,972
Employer Medicare		14,979
Communication		5,778
Data Processing Services		44,817
Dues and Memberships		1,023
Maintenance Agreements		5,272
Maintenance and Repair Services - Equipment		45
Postal Charges		44,893
Printing, Stationery, and Forms		5,658
Travel		5,098
Maintenance and Repair Services - Records		575
Custodial Supplies		39
Data Processing Supplies		16,034
Food Preparation Supplies		10
Food Supplies		69
Office Supplies		9,413
Periodicals		603
Software		540
In Service/Staff Development		475

(Continued)

Exhibit K-8

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

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

Data Processing Equipment	\$	24,862	
Furniture and Fixtures		369	
Office Equipment		393	
Total County Clerk's Office			\$ 1,771,695

Data Processing

Supervisor/Director	\$	117,894	
Data Processing Personnel		335,416	
Longevity Pay		1,875	
Social Security		26,577	
Pensions		49,689	
Life Insurance		876	
Medical Insurance		80,780	
Dental Insurance		2,799	
Employer Medicare		6,216	
Communication		9,086	
Contracts with Private Agencies		648	
Data Processing Services		289,625	
Dues and Memberships		119	
Maintenance and Repair Services - Buildings		4,815	
Maintenance and Repair Services - Equipment		344	
Postal Charges		20	
Printing, Stationery, and Forms		438	
Travel		918	
Custodial Supplies		60	
Data Processing Supplies		4,867	
Food Preparation Supplies		237	
Food Supplies		1,256	
General Construction Materials		114	
Instructional Supplies and Materials		133	
Office Supplies		1,101	
Other Supplies and Materials		703	
In Service/Staff Development		482	
Communication Equipment		353	
Data Processing Equipment		30,602	
Food Service Equipment		108	
Furniture and Fixtures		8,500	
Other Equipment		2,200	
Total Data Processing			978,851

Administration of JusticeCircuit Court Clerk

County Official/Administrative Officer	\$	105,983	
Clerical Personnel		1,124,917	
Longevity Pay		22,725	
Jury and Witness Expense		22,385	
Social Security		72,980	

(Continued)

Exhibit K-8

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

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

Pensions	\$	131,648	
Life Insurance		2,407	
Medical Insurance		237,559	
Dental Insurance		7,533	
Employer Medicare		17,068	
Communication		1,909	
Data Processing Services		45,255	
Dues and Memberships		1,118	
Legal Notices, Recording, and Court Costs		189	
Maintenance Agreements		12,341	
Postal Charges		15,779	
Printing, Stationery, and Forms		2,631	
Travel		2,354	
Maintenance and Repair Services - Records		1,310	
Other Contracted Services		125	
Custodial Supplies		72	
Data Processing Supplies		2,371	
Food Supplies		1,250	
General Construction Materials		210	
Office Supplies		12,082	
Periodicals		1,003	
Data Processing Equipment		2,549	
Food Service Equipment		100	
Furniture and Fixtures		600	
Total Circuit Court Clerk			\$ 1,848,453

General Sessions Court

Judge(s)	\$	170,874
Secretary(ies)		72,734
Longevity Pay		1,875
Social Security		12,548
Pensions		26,716
Life Insurance		352
Medical Insurance		32,385
Dental Insurance		1,173
Employer Medicare		3,444
Data Processing Services		399
Dues and Memberships		250
Maintenance Agreements		1,386
Postal Charges		41
Printing, Stationery, and Forms		2,248
Travel		640
Other Contracted Services		150
Custodial Supplies		218
Food Preparation Supplies		4
Food Supplies		20
Office Supplies		756

(Continued)

Exhibit K-8

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

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

Periodicals	\$	593	
Other Supplies and Materials		14	
Premiums on Corporate Surety Bonds		100	
In Service/Staff Development		277	
Other Charges		12	
Data Processing Equipment		789	
Furniture and Fixtures		90	
Total General Sessions Court			\$ 330,088

General Sessions Judge

Judge(s)	\$	170,874	
Secretary(ies)		58,588	
Longevity Pay		2,100	
Social Security		12,015	
Pensions		25,190	
Life Insurance		321	
Medical Insurance		21,039	
Dental Insurance		503	
Employer Medicare		3,301	
Communication		1,417	
Data Processing Services		350	
Dues and Memberships		250	
Licenses		50	
Maintenance Agreements		2,079	
Postal Charges		110	
Printing, Stationery, and Forms		2,479	
Travel		643	
Other Contracted Services		700	
Custodial Supplies		6	
Data Processing Supplies		533	
Food Supplies		176	
Office Supplies		738	
Periodicals		1,003	
In Service/Staff Development		329	
Other Charges		100	
Data Processing Equipment		1,015	
Total General Sessions Judge			305,909

Drug Court

County Official/Administrative Officer	\$	58,937	
Assistant(s)		68,649	
Part-time Personnel		33,730	
Longevity Pay		2,550	
Social Security		9,828	
Pensions		14,159	
Life Insurance		259	
Medical Insurance		15,605	

(Continued)

Exhibit K-8

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

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

Dental Insurance	\$	808	
Employer Medicare		2,299	
Communication		773	
Data Processing Services		300	
Dues and Memberships		200	
Evaluation and Testing		5,319	
Maintenance Agreements		1,008	
Postal Charges		198	
Printing, Stationery, and Forms		298	
Travel		1,797	
Drug Treatment		17,360	
Other Contracted Services		5,500	
Custodial Supplies		110	
Data Processing Supplies		980	
Drugs and Medical Supplies		586	
Instructional Supplies and Materials		3,797	
Office Supplies		1,576	
Testing		29,837	
Software		2,189	
In Service/Staff Development		1,200	
Data Processing Equipment		1,125	
Furniture and Fixtures		2,651	
Total Drug Court			\$ 283,628

Chancery Court

County Official/Administrative Officer	\$	105,983	
Clerical Personnel		350,460	
Longevity Pay		12,525	
Social Security		26,968	
Pensions		49,798	
Life Insurance		901	
Medical Insurance		116,172	
Dental Insurance		4,457	
Employer Medicare		6,307	
Communication		4,366	
Data Processing Services		18,081	
Dues and Memberships		1,438	
Maintenance Agreements		3,723	
Maintenance and Repair Services - Office Equipment		692	
Postal Charges		14,816	
Printing, Stationery, and Forms		4,847	
Data Processing Supplies		815	
Food Supplies		1,101	
Office Supplies		4,148	
Periodicals		527	
Other Charges		24	
Data Processing Equipment		6,505	
Total Chancery Court			734,654

(Continued)

Exhibit K-8

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

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

Judge(s)	\$	170,874	
Assistant(s)		146,027	
Secretary(ies)		96,001	
Longevity Pay		5,100	
Social Security		23,190	
Pensions		45,455	
Life Insurance		696	
Medical Insurance		38,409	
Dental Insurance		1,401	
Employer Medicare		5,875	
Communication		7,359	
Data Processing Services		9,299	
Dues and Memberships		325	
Maintenance Agreements		3,809	
Maintenance and Repair Services - Equipment		49	
Postal Charges		550	
Printing, Stationery, and Forms		875	
Rentals		78,750	
Travel		3,446	
Maintenance and Repair Services - Records		514	
Other Contracted Services		225	
Data Processing Supplies		1,631	
Office Supplies		451	
Periodicals		1,063	
Software		8,000	
In Service/Staff Development		440	
Data Processing Equipment		790	
Total Juvenile Court			\$ 650,604

District Attorney General

Rentals	\$	3,600	
Other Contracted Services		71,912	
Total District Attorney General			75,512

Judicial Commissioners

County Official/Administrative Officer	\$	486,977	
Longevity Pay		5,250	
Social Security		28,895	
Pensions		51,853	
Life Insurance		885	
Medical Insurance		61,690	
Dental Insurance		2,875	
Employer Medicare		6,806	
Communication		1,722	
Data Processing Services		7,820	
Dues and Memberships		675	
Maintenance Agreements		2,852	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Administration of Justice (Cont.)Judicial Commissioners (Cont.)

Maintenance and Repair Services - Records	\$	135	
Custodial Supplies		177	
Data Processing Supplies		490	
Office Supplies		3,646	
Periodicals		1,077	
Other Supplies and Materials		132	
Data Processing Equipment		5,952	
Furniture and Fixtures		978	
Total Judicial Commissioners			\$ 670,887

Other Administration of Justice

Part-time Personnel	\$	13,236	
Social Security		7	
Employer Medicare		192	
Contracts with Other Public Agencies		364,212	
Postal Charges		438	
Data Processing Supplies		190	
Office Supplies		162	
Other Supplies and Materials		14,210	
Premiums on Corporate Surety Bonds		833	
Total Other Administration of Justice			393,480

Probation Services

Probation Officer(s)	\$	251,071	
Clerical Personnel		51,782	
Longevity Pay		6,750	
Social Security		16,847	
Pensions		31,680	
Life Insurance		579	
Medical Insurance		59,448	
Dental Insurance		2,037	
Employer Medicare		4,199	
Communication		576	
Maintenance Agreements		2,079	
Postal Charges		588	
Printing, Stationery, and Forms		1,538	
Travel		305	
Maintenance and Repair Services - Records		94	
Custodial Supplies		119	
Drugs and Medical Supplies		62	
Food Preparation Supplies		52	
Food Supplies		448	
General Construction Materials		36	
Instructional Supplies and Materials		4,522	
Office Supplies		1,929	
Other Supplies and Materials		48	
Other Charges		500	
Other Equipment		268	
Total Probation Services			437,557

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 114,932
Deputy(ies)	4,315,416
Detective(s)	511,190
Captain(s)	140,354
Lieutenant(s)	330,010
Sergeant(s)	429,980
Data Processing Personnel	78,449
Guards	471,737
Clerical Personnel	887,988
Maintenance Personnel	170,609
Part-time Personnel	92,519
Longevity Pay	163,125
Overtime Pay	11,638
Other Salaries and Wages	81,600
Social Security	449,086
Pensions	838,972
Life Insurance	14,932
Medical Insurance	1,690,932
Dental Insurance	64,379
Employer Medicare	105,029
Communication	21,589
Data Processing Services	162,305
Dues and Memberships	4,000
Evaluation and Testing	18,309
Licenses	716
Maintenance Agreements	8,903
Maintenance and Repair Services - Buildings	3,035
Maintenance and Repair Services - Equipment	5,513
Maintenance and Repair Services - Vehicles	66,007
Postal Charges	8,857
Printing, Stationery, and Forms	17,766
Towing Services	2,275
Transportation - Other than Students	46,513
Travel	18,221
Veterinary Services	58,740
Maintenance and Repair Services - Records	1,976
Other Contracted Services	156
Animal Food and Supplies	40,512
Custodial Supplies	259
Data Processing Supplies	15,398
Diesel Fuel	915
Drugs and Medical Supplies	14,201
Electricity	53
Food Supplies	1,705
Gasoline	221,188
General Construction Materials	3,132
Instructional Supplies and Materials	5,157

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Law Enforcement Supplies	\$	33,502	
Lubricants		8,024	
Office Supplies		19,924	
Propane Gas		1,801	
Small Tools		769	
Uniforms		68,450	
Vehicle Parts		39,881	
Software		50,476	
Other Supplies and Materials		3,301	
In Service/Staff Development		44,119	
Other Charges		557	
Communication Equipment		4,258	
Data Processing Equipment		38,000	
Furniture and Fixtures		11,601	
Law Enforcement Equipment		105,568	
Motor Vehicles		25,991	
Office Equipment		287	
Health Equipment		1,375	
Other Equipment		9,298	
Total Sheriff's Department			\$ 12,177,460

Administration of the Sexual Offender Registry

Data Processing Services	\$	2,142	
Data Processing Supplies		998	
Software		5,342	
Other Charges		2,900	
Data Processing Equipment		7,165	
Total Administration of the Sexual Offender Registry			18,547

Jail

Assistant(s)	\$	74,094	
Captain(s)		70,352	
Lieutenant(s)		198,118	
Sergeant(s)		351,317	
Guards		4,547,237	
Cafeteria Personnel		75,411	
Part-time Personnel		9,659	
Longevity Pay		73,769	
Social Security		312,400	
Pensions		584,517	
Life Insurance		10,100	
Medical Insurance		1,074,568	
Dental Insurance		41,088	
Employer Medicare		73,063	
Contracts with Private Agencies		7,790	
Medical and Dental Services		2,648,449	
Printing, Stationery, and Forms		1,353	

(Continued)

Exhibit K-8

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

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

Custodial Supplies	\$ 103,565	
Drugs and Medical Supplies	518	
Food Preparation Supplies	10,968	
Food Supplies	810,996	
Prisoners Clothing	19,852	
Uniforms	33,988	
Other Supplies and Materials	82,462	
Law Enforcement Equipment	690	
Total Jail		\$ 11,216,324

Juvenile Services

Youth Service Officer(s)	\$ 479,770	
Salary Supplements	5,283	
Longevity Pay	13,575	
Social Security	28,540	
Pensions	54,241	
Life Insurance	980	
Medical Insurance	110,611	
Dental Insurance	4,273	
Employer Medicare	6,675	
Communication	3,614	
Data Processing Services	473	
Travel	1,098	
Custodial Supplies	156	
Data Processing Supplies	1,031	
Drugs and Medical Supplies	148	
Duplicating Supplies	64	
Food Preparation Supplies	206	
Food Supplies	1,409	
Office Supplies	1,697	
Testing	762	
Other Supplies and Materials	125	
In Service/Staff Development	1,140	
Data Processing Equipment	478	
Furniture and Fixtures	1,045	
Other Equipment	510	
Total Juvenile Services		717,904

Fire Prevention and Control

Contracts with Government Agencies	\$ 2,000	
Total Fire Prevention and Control		2,000

Rural Fire Protection

Contributions	\$ 437,721	
Total Rural Fire Protection		437,721

(Continued)

Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management

Supervisor/Director	\$	91,496	
Deputy(ies)		23,339	
Clerical Personnel		44,986	
Part-time Personnel		22,969	
Longevity Pay		1,575	
Other Salaries and Wages		29,252	
Social Security		12,877	
Pensions		18,423	
Life Insurance		289	
Medical Insurance		17,370	
Dental Insurance		503	
Employer Medicare		3,011	
Communication		11,635	
Data Processing Services		6,587	
Dues and Memberships		55	
Maintenance Agreements		1,102	
Maintenance and Repair Services - Equipment		6,090	
Maintenance and Repair Services - Vehicles		1,231	
Postal Charges		171	
Travel		1,485	
Other Contracted Services		3,181	
Custodial Supplies		699	
Data Processing Supplies		739	
Diesel Fuel		75	
Drugs and Medical Supplies		1,113	
Equipment and Machinery Parts		812	
Fertilizer, Lime, and Seed		496	
Food Supplies		2,223	
Garage Supplies		6	
Gasoline		8,294	
General Construction Materials		111	
Lubricants		251	
Office Supplies		565	
Small Tools		991	
Uniforms		2,499	
Vehicle Parts		3,066	
Other Supplies and Materials		12,125	
Vehicle and Equipment Insurance		24,394	
Workers' Compensation Insurance		2,344	
Other Charges		12,000	
Building Improvements		5,984	
Communication Equipment		941	
Data Processing Equipment		1,973	
Food Service Equipment		2,478	
Law Enforcement Equipment		25,000	
Other Equipment		29,851	
Total Other Emergency Management			\$ 436,657

(Continued)

Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)County Coroner/Medical Examiner

Dues and Memberships	\$	75	
Medical and Dental Services		91,520	
Travel		3,725	
Other Contracted Services		24,000	
In Service/Staff Development		3,200	
Other Charges		1,314	
Total County Coroner/Medical Examiner			\$ 123,834

Other Public Safety

Supervisor/Director	\$	118,783
Data Processing Personnel		71,557
Dispatchers/Radio Operators		1,393,571
Clerical Personnel		49,208
Part-time Personnel		87,260
Longevity Pay		20,400
Overtime Pay		211,470
Other Salaries and Wages		71,236
Social Security		117,513
Pensions		204,274
Life Insurance		3,325
Medical Insurance		418,754
Dental Insurance		14,166
Employer Medicare		27,483
Advertising		283
Communication		5,896
Data Processing Services		43,188
Dues and Memberships		294
Evaluation and Testing		477
Janitorial Services		490
Maintenance Agreements		41,798
Maintenance and Repair Services - Buildings		90
Maintenance and Repair Services - Equipment		1,909
Maintenance and Repair Services - Vehicles		68
Postal Charges		353
Printing, Stationery, and Forms		1,914
Travel		4,097
Maintenance and Repair Services - Records		120
Other Contracted Services		4,422
Custodial Supplies		2,678
Data Processing Supplies		4,181
Drugs and Medical Supplies		901
Equipment and Machinery Parts		821
Food Preparation Supplies		228
Food Supplies		759
Gasoline		880
General Construction Materials		473
Office Supplies		2,078

(Continued)

Exhibit K-8

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

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

Periodicals	\$	258	
Small Tools		57	
Uniforms		3,421	
Vehicle Parts		134	
Other Supplies and Materials		1,002	
In Service/Staff Development		1,496	
Communication Equipment		567	
Data Processing Equipment		6,081	
Food Service Equipment		130	
Furniture and Fixtures		1,352	
Office Equipment		10	
Health Equipment		108	
Other Equipment		1,915	
Total Other Public Safety			\$ 2,943,929

Public Health and WelfareLocal Health Center

Custodial Personnel	\$	31,931	
Longevity Pay		19,650	
Other Salaries and Wages		1,019,779	
Social Security		62,229	
Pensions		106,346	
Life Insurance		1,954	
Medical Insurance		204,360	
Dental Insurance		8,719	
Employer Medicare		14,554	
Communication		26,778	
Data Processing Services		298	
Dues and Memberships		950	
Evaluation and Testing		145	
Maintenance Agreements		2,025	
Maintenance and Repair Services - Buildings		1,900	
Maintenance and Repair Services - Equipment		1,771	
Postal Charges		60	
Printing, Stationery, and Forms		1,386	
Rentals		99	
Travel		14,952	
Disposal Fees		3,105	
Other Contracted Services		3,861	
Custodial Supplies		2,890	
Data Processing Supplies		734	
Drugs and Medical Supplies		969	
Electricity		63,265	
Food Preparation Supplies		245	
Food Supplies		3,046	
General Construction Materials		1,659	
Instructional Supplies and Materials		869	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Natural Gas	\$	14,057	
Office Supplies		1,956	
Periodicals		40	
Small Tools		47	
Uniforms		324	
Water and Sewer		4,308	
Chemicals		144	
Other Supplies and Materials		1,102	
Liability Insurance		928	
In Service/Staff Development		200	
Other Charges		434	
Communication Equipment		731	
Food Service Equipment		201	
Furniture and Fixtures		1,115	
Maintenance Equipment		2,367	
Other Equipment		25	
Total Local Health Center			\$ 1,628,508

Ambulance/Emergency Medical Services

Assistant(s)	\$	574,450	
Supervisor/Director		114,530	
Captain(s)		272,476	
Lieutenant(s)		116,200	
Mechanic(s)		93,536	
Clerical Personnel		247,031	
Attendants		3,008,595	
Part-time Personnel		83,981	
Longevity Pay		85,650	
Overtime Pay		1,594,729	
Other Salaries and Wages		37,107	
Social Security		359,009	
Pensions		666,205	
Life Insurance		10,833	
Medical Insurance		1,233,405	
Dental Insurance		43,474	
Employer Medicare		83,962	
Advertising		50	
Communication		34,800	
Contracts with Government Agencies		272,377	
Data Processing Services		35,400	
Debt Collection Services		272,623	
Dues and Memberships		715	
Evaluation and Testing		3,300	
Licenses		7,000	
Maintenance Agreements		8,898	
Maintenance and Repair Services - Buildings		125	
Maintenance and Repair Services - Equipment		9,475	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Maintenance and Repair Services - Vehicles	\$	10,359	
Pest Control		123	
Postal Charges		822	
Printing, Stationery, and Forms		985	
Rentals		5,869	
Travel		6,451	
Disposal Fees		2,382	
Other Contracted Services		2,770	
Custodial Supplies		19,737	
Data Processing Supplies		3,481	
Diesel Fuel		130,824	
Drugs and Medical Supplies		367,270	
Equipment and Machinery Parts		3,403	
Food Preparation Supplies		189	
Food Supplies		536	
Gasoline		21,285	
General Construction Materials		2,379	
Instructional Supplies and Materials		5,286	
Lubricants		10,103	
Office Supplies		2,978	
Small Tools		4,694	
Textbooks - Bound		1,696	
Tires and Tubes		30,297	
Uniforms		76,886	
Vehicle Parts		55,382	
Chemicals		2	
Other Supplies and Materials		3,452	
Liability Insurance		25,001	
In Service/Staff Development		12,894	
Criminal Investigation of Applicants - TBI		2,176	
Other Charges		255	
Communication Equipment		5,762	
Data Processing Equipment		17,888	
Food Service Equipment		373	
Furniture and Fixtures		12,696	
Office Equipment		641	
Traffic Control Equipment		4,732	
Health Equipment		32,763	
Other Equipment		16,558	
Total Ambulance/Emergency Medical Services			\$ 10,171,316

Appropriation to State

Contracts with Government Agencies	\$	213,181	
Total Appropriation to State			213,181

General Welfare Assistance

Pauper Burials	\$	7,692	
Total General Welfare Assistance			7,692

(Continued)

Exhibit K-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Other Public Health and Welfare

Rentals	\$	99,400	
Total Other Public Health and Welfare			\$ 99,400

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$	50,500	
Tax Relief Program		243,282	
Total Senior Citizens Assistance			293,782

Libraries

Librarians	\$	1,242,946
Custodial Personnel		17,096
Longevity Pay		20,175
Social Security		73,242
Pensions		101,959
Life Insurance		1,912
Medical Insurance		278,184
Dental Insurance		9,283
Employer Medicare		17,279
Advertising		200
Communication		10,050
Data Processing Services		43,904
Dues and Memberships		2,374
Janitorial Services		42,086
Licenses		1,047
Maintenance Agreements		20,982
Maintenance and Repair Services - Buildings		5,512
Maintenance and Repair Services - Equipment		2,976
Pest Control		1,314
Postal Charges		1,389
Printing, Stationery, and Forms		5,284
Travel		2,541
Disposal Fees		1,989
Permits		166
Other Contracted Services		16,896
Custodial Supplies		9,027
Data Processing Supplies		3,022
Drugs and Medical Supplies		301
Electricity		90,552
Fertilizer, Lime, and Seed		452
Food Preparation Supplies		843
Food Supplies		2,555
General Construction Materials		1,961
Instructional Supplies and Materials		3,131
Library Books/Media		144,671
Natural Gas		3,119
Office Supplies		21,761

(Continued)

Exhibit K-8

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries (Cont.)

Periodicals	\$	6,579	
Small Tools		93	
Water and Sewer		9,255	
Chemicals		11	
Software		311	
Other Supplies and Materials		3,634	
In Service/Staff Development		2,412	
Other Charges		95	
Communication Equipment		698	
Data Processing Equipment		35,870	
Food Service Equipment		1,033	
Furniture and Fixtures		21,938	
Office Equipment		440	
Other Equipment		25,360	
Total Libraries			\$ 2,309,910

Agriculture and Natural ResourcesAgricultural Extension Service

County Official/Administrative Officer	\$	183,353	
Assistant(s)		99,815	
Secretary(ies)		14,889	
Longevity Pay		4,417	
Social Security		14,234	
Pensions		41,237	
Life Insurance		245	
Medical Insurance		82,778	
Dental Insurance		1,634	
Unemployment Compensation		60	
Employer Medicare		3,924	
Other Fringe Benefits		222	
Communication		1,370	
Data Processing Services		1,021	
Dues and Memberships		500	
Maintenance Agreements		1,174	
Travel		4,631	
Permits		50	
Office Supplies		1,490	
Data Processing Equipment		4,035	
Total Agricultural Extension Service			461,079

Soil Conservation

Secretary(ies)	\$	32,863	
Longevity Pay		2,100	
Social Security		1,848	
Pensions		3,806	
Life Insurance		67	
Medical Insurance		17,370	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Dental Insurance	\$	503	
Employer Medicare		432	
Data Processing Services		18	
Dues and Memberships		1,050	
Travel		694	
Custodial Supplies		11	
Data Processing Supplies		171	
Drugs and Medical Supplies		120	
Office Supplies		297	
In Service/Staff Development		265	
Total Soil Conservation			\$ 61,615

Other Operations

Tourism

Contributions	\$	739,744	
Total Tourism			739,744

Industrial Development

Contributions	\$	100,000	
Total Industrial Development			100,000

Veterans' Services

County Official/Administrative Officer	\$	46,929	
Assistant(s)		31,935	
Longevity Pay		675	
Social Security		4,631	
Pensions		8,675	
Life Insurance		172	
Medical Insurance		13,120	
Dental Insurance		987	
Employer Medicare		1,083	
Communication		1,174	
Data Processing Services		1,227	
Maintenance Agreements		973	
Postal Charges		148	
Printing, Stationery, and Forms		177	
Travel		794	
Maintenance and Repair Services - Records		296	
Data Processing Supplies		206	
Food Preparation Supplies		16	
Food Supplies		264	
Office Supplies		355	
Periodicals		196	
Other Supplies and Materials		26	
Data Processing Equipment		1,172	
Total Veterans' Services			115,231

(Continued)

Exhibit K-8

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

General Fund (Cont.)Other Operations (Cont.)Other Charges

Disposal Fees	\$	163,045	
Trustee's Commission		770,448	
Other Charges		14,611	
Total Other Charges			\$ 948,104

Contributions to Other Agencies

Contributions	\$	250,032	
Total Contributions to Other Agencies			250,032

Employee Benefits

Pensions	\$	5,250	
Medical Insurance		48,621	
Unemployment Compensation		36,329	
Total Employee Benefits			90,200

COVID-19 Grant #1

Drugs and Medical Supplies	\$	25,224	
Office Equipment		2,051	
Health Equipment		18,621	
Other Equipment		9,870	
Total COVID-19 Grant #1			55,766

Miscellaneous

Investigator(s)	\$	13,750	
Clerical Personnel		41,416	
Longevity Pay		900	
Other Salaries and Wages		8,000	
Social Security		3,843	
Pensions		4,057	
Life Insurance		76	
Medical Insurance		6,920	
Dental Insurance		660	
Employer Medicare		899	
Total Miscellaneous			80,521

HighwaysTraffic Control

Maintenance and Repair Services - Equipment	\$	1,149	
Matching Share		24,786	
Total Traffic Control			25,935

Total General Fund \$ 64,557,270

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Data Processing Services	\$	9,117	
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(Continued)

Exhibit K-8

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

Courthouse and Jail Maintenance Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Dues and Memberships	\$	45	
Janitorial Services		1,000	
Maintenance Agreements		311,750	
Maintenance and Repair Services - Buildings		38,991	
Maintenance and Repair Services - Equipment		91,062	
Maintenance and Repair Services - Vehicles		17	
Pest Control		12,987	
Printing, Stationery, and Forms		272	
Rentals		5,640	
Disposal Fees		24,416	
Permits		325	
Other Contracted Services		41,579	
Custodial Supplies		18,992	
Data Processing Supplies		78	
Equipment and Machinery Parts		18,217	
Food Supplies		328	
Gasoline		2,436	
General Construction Materials		150,612	
Lubricants		18	
Small Tools		7,492	
Uniforms		579	
Vehicle Parts		207	
Chemicals		38	
Other Supplies and Materials		943	
Trustee's Commission		6,602	
Other Charges		619	
Data Processing Equipment		5,924	
Food Service Equipment		7,600	
Other Equipment		16,698	
Total County Buildings			\$ 774,584

Total Courthouse and Jail Maintenance Fund \$ 774,584

Drug Control FundPublic SafetyDrug Enforcement

Contracts with Government Agencies	\$	2,680	
Data Processing Services		4,500	
Evaluation and Testing		2,940	
Drugs and Medical Supplies		3,137	
Trustee's Commission		243	
Data Processing Equipment		420	
Law Enforcement Equipment		29,721	
Total Drug Enforcement			\$ 43,641

Total Drug Control Fund 43,641

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees FundAdministration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$ 11,350	
Total Chancery Court		\$ 11,350

Total Constitutional Officers - Fees Fund \$ 11,350

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 114,932	
Assistant(s)	63,138	
Clerical Personnel	94,804	
Advertising	578	
Data Processing Services	14,733	
Dues and Memberships	4,910	
Legal Services	4,700	
Legal Notices, Recording, and Court Costs	60	
Maintenance Agreements	1,628	
Postal Charges	217	
Printing, Stationery, and Forms	415	
Travel	254	
Other Contracted Services	457	
Data Processing Supplies	250	
Drugs and Medical Supplies	13	
Office Supplies	810	
Total Administration		\$ 301,899

Highway and Bridge Maintenance

Foremen	\$ 207,088	
Equipment Operators	923,616	
Truck Drivers	595,871	
Laborers	4,964	
Consultants	550	
Engineering Services	44,737	
Evaluation and Testing	766	
Rentals	31,397	
Permits	500	
Other Contracted Services	162,291	
Asphalt - Cold Mix	8,616	
Asphalt - Hot Mix	2,488,456	
Asphalt - Liquid	93,134	
Concrete	25,964	
Crushed Stone	146,912	
Fertilizer, Lime, and Seed	6,085	
Food Supplies	490	
General Construction Materials	51,449	
Other Road Materials	51,595	
Pipe	3,823	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe - Concrete	\$	103,466	
Pipe - Metal		8,696	
Propane Gas		371	
Road Signs		14,829	
Small Tools		2,870	
Structural Steel		2,645	
Uniforms		421	
Wood Products		1,957	
Chemicals		6,590	
In Service/Staff Development		927	
Total Highway and Bridge Maintenance			\$ 4,991,076

Operation and Maintenance of Equipment

Foremen	\$	50,400	
Mechanic(s)		134,866	
Truck Drivers		45,151	
Laborers		39,606	
Custodial Personnel		23,324	
Laundry Service		1,461	
Maintenance and Repair Services - Buildings		5,181	
Maintenance and Repair Services - Equipment		21,554	
Maintenance and Repair Services - Vehicles		14,599	
Rentals		1,476	
Towing Services		280	
Disposal Fees		1,053	
Permits		250	
Custodial Supplies		2,348	
Diesel Fuel		195,277	
Equipment and Machinery Parts		124,369	
Garage Supplies		11,970	
Gasoline		38,048	
General Construction Materials		4,101	
Lubricants		16,700	
Small Tools		2,509	
Tires and Tubes		66,348	
Vehicle Parts		84,405	
Other Supplies and Materials		720	
In Service/Staff Development		450	
Total Operation and Maintenance of Equipment			886,446

Quarry Operations

Permits	\$	2,080	
Other Contracted Services		14,049	
Electricity		994	
Explosives and Drilling Supplies		2,541	
Propane Gas		509	
Water and Sewer		441	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Quarry Operations (Cont.)

Other Supplies and Materials	\$	56	
In Service/Staff Development		400	
Other Charges		99	
Total Quarry Operations			\$ 21,169

Litter and Trash Collection

Guards	\$	22,413	
Instructional Supplies and Materials		49,852	
Other Supplies and Materials		2,373	
Other Charges		2,220	
Total Litter and Trash Collection			76,858

Other Charges

Communication	\$	4,855	
Data Processing Services		1,737	
Electricity		18,033	
Natural Gas		3,314	
Propane Gas		646	
Water and Sewer		2,811	
Building and Contents Insurance		3,906	
Liability Insurance		317,296	
Trustee's Commission		83,132	
Vehicle and Equipment Insurance		99,506	
Total Other Charges			535,236

Employee Benefits

Longevity Pay	\$	40,350	
Social Security		136,476	
Pensions		276,569	
Life Insurance		4,727	
Medical Insurance		531,332	
Dental Insurance		19,085	
Unemployment Compensation		3,929	
Employer Medicare		31,918	
Workers' Compensation Insurance		201,024	
Total Employee Benefits			1,245,410

Capital Outlay

Highway Equipment	\$	59,381	
Motor Vehicles		464,574	
Office Equipment		79	
Total Capital Outlay			524,034

Total Highway/Public Works Fund \$ 8,582,128

(Continued)

Exhibit K-8

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

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 1,693,044	
Total General Government		\$ 1,693,044

Education

Principal on Bonds	\$ 16,031,956	
Total Education		16,031,956

Interest on DebtGeneral Government

Interest on Bonds	\$ 416,836	
Total General Government		416,836

Education

Interest on Bonds	\$ 9,887,430	
Total Education		9,887,430

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 491,483	
Other Charges	500	
Total General Government		491,983

Education

Other Charges	\$ 2,580	
Total Education		2,580

Total General Debt Service Fund		\$ 28,523,829
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General Capital Projects FundCapital ProjectsGeneral Administration Projects

Trustee's Commission	\$ 205,998	
Total General Administration Projects		\$ 205,998

Administration of Justice Projects

Architects	\$ 103,500	
Other Contracted Services	2,259,367	
Building Improvements	438,796	
Land	870,080	
Other Construction	38,866	
Total Administration of Justice Projects		3,710,609

Public Safety Projects

Building Construction	\$ 1,195,762	
Building Improvements	876,285	
Furniture and Fixtures	4,512	
Law Enforcement Equipment	52,000	

(Continued)

Exhibit K-8

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

General Capital Projects Fund (Cont.)Capital Projects (Cont.)Public Safety Projects (Cont.)

Motor Vehicles	\$ 786,382	
Other Equipment	17,754	
Other Construction	18,975	
Other Capital Outlay	4,654,638	
Total Public Safety Projects		\$ 7,606,308

Public Health and Welfare Projects

Building Improvements	\$ 1,851	
Motor Vehicles	815,575	
Health Equipment	536,355	
Other Construction	9,936	
Total Public Health and Welfare Projects		1,363,717

Social, Cultural, and Recreation Projects

Other Contracted Services	\$ 796	
Other Construction	5,588	
Total Social, Cultural, and Recreation Projects		6,384

Other General Government Projects

Data Processing Services	\$ 3,728	
Building Improvements	425,833	
Communication Equipment	15,387	
Data Processing Equipment	92,809	
Food Service Equipment	46,235	
Heating and Air Conditioning Equipment	15,687	
Land	439,527	
Motor Vehicles	117,338	
Other Equipment	33,453	
Other Construction	447,679	
Total Other General Government Projects		1,637,676

Highway and Street Capital Projects

Highway Equipment	\$ 575,450	
Total Highway and Street Capital Projects		575,450

Capital Projects - DonatedCapital Projects Donated to School Department

Architects	\$ 1,560,241	
Other Contracted Services	157,030	
Textbooks - Bound	978,188	
Building Construction	5,499,014	
Building Improvements	1,200,410	
Transportation Equipment	1,599,408	
Other Construction	685,209	
Total Capital Projects Donated to School Department		11,679,500

Total General Capital Projects Fund \$ 26,785,642

Total Governmental Funds - Primary Government \$ 129,278,444

Exhibit K-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 79,775,056	
Career Ladder Program	217,003	
Homebound Teachers	142,744	
Educational Assistants	2,015,774	
Other Salaries and Wages	750,350	
Certified Substitute Teachers	646,586	
Non-certified Substitute Teachers	219,617	
Social Security	4,830,554	
Pensions	7,954,038	
Life Insurance	129,999	
Medical Insurance	20,665,141	
Dental Insurance	860,702	
Disability Insurance	108,849	
Employer Medicare	1,140,820	
Other Contracted Services	70,091	
Instructional Supplies and Materials	1,887,040	
Textbooks - Bound	1,980,581	
Software	430,817	
Other Supplies and Materials	22,461	
Fee Waivers	133,775	
Other Charges	19,092	
Regular Instruction Equipment	950,000	
Other Equipment	11,286	
Total Regular Instruction Program		\$ 124,962,376

Alternative Instruction Program

Teachers	\$ 1,303,699	
Career Ladder Program	2,767	
Educational Assistants	324,317	
Other Salaries and Wages	4,900	
Certified Substitute Teachers	5,200	
Non-certified Substitute Teachers	204	
Social Security	92,933	
Pensions	160,977	
Life Insurance	2,225	
Medical Insurance	513,700	
Dental Insurance	23,921	
Disability Insurance	1,853	
Employer Medicare	21,810	
Tuition	221,584	
Instructional Supplies and Materials	26,957	
Textbooks - Bound	23,665	
Other Supplies and Materials	15	
Other Charges	4,630	
Total Alternative Instruction Program		2,735,357

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)Special Education Program

Teachers	\$ 10,675,503	
Career Ladder Program	30,038	
Homebound Teachers	138,840	
Educational Assistants	4,013,110	
Speech Pathologist	2,195,274	
Other Salaries and Wages	85,801	
Certified Substitute Teachers	51,375	
Non-certified Substitute Teachers	78,846	
Social Security	980,636	
Pensions	1,660,789	
Life Insurance	23,933	
Medical Insurance	5,470,928	
Dental Insurance	225,644	
Disability Insurance	20,013	
Employer Medicare	230,898	
Contracts with Private Agencies	87,019	
Instructional Supplies and Materials	59,772	
Other Supplies and Materials	11,884	
Other Charges	635	
Special Education Equipment	6,608	
Total Special Education Program		\$ 26,047,546

Career and Technical Education Program

Teachers	\$ 7,372,231	
Career Ladder Program	21,805	
Certified Substitute Teachers	59,600	
Non-certified Substitute Teachers	14,229	
Social Security	432,592	
Pensions	711,225	
Life Insurance	11,634	
Medical Insurance	1,629,367	
Dental Insurance	72,068	
Disability Insurance	9,409	
Employer Medicare	101,945	
Maintenance and Repair Services - Equipment	11,569	
Instructional Supplies and Materials	119,870	
Textbooks - Bound	998	
Fee Waivers	1,015	
Other Charges	18,062	
Vocational Instruction Equipment	41,837	
Total Career and Technical Education Program		10,629,456

Support ServicesAttendance

Supervisor/Director	\$ 81,876
Clerical Personnel	37,245

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)Attendance (Cont.)

Other Salaries and Wages	\$	200,643	
Social Security		18,286	
Pensions		34,755	
Life Insurance		519	
Medical Insurance		101,054	
Dental Insurance		4,444	
Disability Insurance		391	
Employer Medicare		4,276	
Communication		1,678	
Travel		1,077	
Other Contracted Services		191,511	
Software		219,990	
Other Supplies and Materials		400	
Other Charges		2,206	
Attendance Equipment		3,500	
Total Attendance			\$ 903,851

Health Services

Supervisor/Director	\$	77,580	
Medical Personnel		1,926,372	
Other Salaries and Wages		385,087	
Social Security		139,666	
Pensions		194,109	
Life Insurance		2,240	
Medical Insurance		564,816	
Dental Insurance		24,315	
Disability Insurance		1,975	
Employer Medicare		32,667	
Communication		11,660	
Postal Charges		500	
Travel		13,234	
Other Contracted Services		10,527	
Drugs and Medical Supplies		29,846	
Other Supplies and Materials		49,371	
In Service/Staff Development		14,555	
Other Charges		1,643	
Health Equipment		33,667	
Total Health Services			3,513,830

Other Student Support

Career Ladder Program	\$	14,905	
Guidance Personnel		3,801,316	
Social Workers		141,026	
Clerical Personnel		227,396	
Other Salaries and Wages		222,645	
Social Security		257,646	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

Pensions	\$	422,357	
Life Insurance		6,588	
Medical Insurance		974,402	
Dental Insurance		42,253	
Disability Insurance		5,748	
Employer Medicare		60,686	
Contracts with Government Agencies		35,000	
Evaluation and Testing		168,432	
Other Contracted Services		26,322	
Software		93,934	
Other Supplies and Materials		48,012	
Other Charges		3,008	
Total Other Student Support			\$ 6,551,676

Regular Instruction Program

Supervisor/Director	\$	1,117,837	
Career Ladder Program		31,631	
Librarians		2,937,279	
Instructional Computer Personnel		345,513	
Secretary(ies)		109,872	
Clerical Personnel		259,893	
Other Salaries and Wages		413,562	
Social Security		289,667	
Pensions		517,036	
Life Insurance		9,703	
Medical Insurance		1,125,161	
Dental Insurance		48,277	
Disability Insurance		7,763	
Employer Medicare		71,330	
Travel		25,200	
Other Contracted Services		94,948	
Library Books/Media		219,675	
Office Supplies		3,529	
Software		42,007	
Other Supplies and Materials		30,330	
In Service/Staff Development		26,791	
Other Charges		12,294	
Other Equipment		14,638	
Total Regular Instruction Program			7,753,936

Alternative Instruction Program

Supervisor/Director	\$	234,070	
Career Ladder Program		1,498	
Guidance Personnel		178,002	
Librarians		19,922	
Clerical Personnel		40,296	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)Alternative Instruction Program (Cont.)

Other Salaries and Wages	\$	80,385	
Social Security		29,701	
Pensions		51,545	
Life Insurance		808	
Medical Insurance		121,734	
Dental Insurance		6,045	
Disability Insurance		601	
Employer Medicare		7,531	
Travel		1,403	
Other Contracted Services		3,223	
Library Books/Media		8,574	
Office Supplies		9,319	
Other Charges		138	
Total Alternative Instruction Program			\$ 794,795

Special Education Program

Supervisor/Director	\$	575,080	
Career Ladder Program		7,000	
Psychological Personnel		614,286	
Medical Personnel		211,137	
Secretary(ies)		67,510	
Clerical Personnel		88,035	
Speech Pathologist		83,479	
Other Salaries and Wages		477,796	
Social Security		124,120	
Pensions		217,979	
Life Insurance		3,709	
Medical Insurance		505,685	
Dental Insurance		22,210	
Disability Insurance		3,033	
Employer Medicare		29,028	
Contracts with Private Agencies		41,877	
Maintenance and Repair Services - Equipment		1,695	
Postal Charges		8	
Travel		51,570	
Other Contracted Services		12,398	
Software		122	
Other Supplies and Materials		54,679	
In Service/Staff Development		6,151	
Other Charges		695	
Total Special Education Program			3,199,282

Career and Technical Education Program

Supervisor/Director	\$	78,889	
Secretary(ies)		28,782	
Social Security		6,260	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Career and Technical Education Program (Cont.)

Pensions	\$	11,517	
Life Insurance		221	
Medical Insurance		29,484	
Dental Insurance		1,178	
Disability Insurance		161	
Employer Medicare		1,464	
Travel		15,031	
Other Contracted Services		417	
Other Supplies and Materials		800	
Other Charges		1,087	
Other Equipment		457	
Total Career and Technical Education Program			\$ 175,748

Technology

Supervisor/Director	\$	77,666	
Computer Programmer(s)		538,813	
Data Processing Personnel		357,124	
Clerical Personnel		24,638	
Other Salaries and Wages		148,568	
Social Security		67,205	
Pensions		121,703	
Life Insurance		2,024	
Medical Insurance		279,996	
Dental Insurance		11,056	
Disability Insurance		1,484	
Employer Medicare		15,717	
Communication		6,008	
Maintenance and Repair Services - Equipment		247	
Internet Connectivity		383,340	
Other Contracted Services		31,488	
Gasoline		9,639	
Office Supplies		2,227	
Software		463,591	
Other Supplies and Materials		73,756	
In Service/Staff Development		9,995	
Other Charges		2,916	
Data Processing Equipment		349,992	
Total Technology			2,979,193

Board of Education

Other Salaries and Wages	\$	10,934	
Board and Committee Members Fees		65,500	
Social Security		3,317	
Unemployment Compensation		70,597	
Employer Medicare		1,108	
Other Fringe Benefits		1,950,709	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Audit Services	\$	52,520	
Dues and Memberships		18,056	
Legal Services		462,004	
Travel		1,588	
Other Contracted Services		31,742	
Software		18,000	
Other Supplies and Materials		1,309	
Liability Insurance		372,128	
Trustee's Commission		2,089,710	
Workers' Compensation Insurance		976,219	
In Service/Staff Development		1,585	
Criminal Investigation of Applicants - TBI		54,487	
Refund to Applicant for Criminal Investigation		309	
Other Charges		73,161	
Administration Equipment		9,638	
Total Board of Education			\$ 6,264,621

Director of Schools

County Official/Administrative Officer	\$	200,525	
Secretary(ies)		102,134	
Other Salaries and Wages		65,398	
Social Security		15,875	
Pensions		32,374	
Life Insurance		666	
Medical Insurance		41,642	
Dental Insurance		943	
Disability Insurance		355	
Employer Medicare		5,277	
Communication		173,810	
Dues and Memberships		9,078	
Postal Charges		21,420	
Travel		2,013	
Other Contracted Services		5,289	
Office Supplies		1,298	
Other Charges		414	
Administration Equipment		5,877	
Total Director of Schools			684,388

Office of the Principal

Principals	\$	4,054,765	
Career Ladder Program		28,000	
Assistant Principals		4,029,452	
Secretary(ies)		1,164,999	
Clerical Personnel		1,713,921	
Social Security		630,573	
Pensions		1,163,828	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Office of the Principal (Cont.)

Life Insurance	\$	22,040	
Medical Insurance		3,338,612	
Dental Insurance		139,111	
Disability Insurance		16,209	
Employer Medicare		147,557	
Office Supplies		468,256	
Software		20,692	
Administration Equipment		34,996	
Total Office of the Principal			\$ 16,973,011

Fiscal Services

Supervisor/Director	\$	127,639	
Internal Audit Personnel		142,606	
Accountants/Bookkeepers		199,990	
Purchasing Personnel		114,784	
Secretary(ies)		39,488	
Clerical Personnel		98,787	
Other Salaries and Wages		439,989	
Social Security		69,533	
Pensions		123,655	
Life Insurance		1,891	
Medical Insurance		260,727	
Dental Insurance		13,531	
Disability Insurance		1,372	
Employer Medicare		16,262	
Advertising		2,996	
Communication		1,931	
Dues and Memberships		1,174	
Maintenance and Repair Services - Equipment		1,150	
Travel		1,396	
Other Contracted Services		37,112	
Office Supplies		7,100	
Software		394,148	
In Service/Staff Development		2,885	
Other Charges		384	
Administration Equipment		11,031	
Total Fiscal Services			2,111,561

Human Services/Personnel

Supervisor/Director	\$	87,550	
Secretary(ies)		68,611	
Clerical Personnel		158,701	
Other Salaries and Wages		156,121	
Social Security		26,712	
Pensions		50,548	
Life Insurance		654	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Medical Insurance	\$	152,960	
Dental Insurance		6,416	
Disability Insurance		585	
Employer Medicare		6,247	
Advertising		3,834	
Communication		3,067	
Dues and Memberships		1,228	
Travel		2,805	
Other Contracted Services		1,379	
Office Supplies		2,992	
Software		94,398	
In Service/Staff Development		3,253	
Other Charges		1,627	
Administration Equipment		4,342	
Total Human Services/Personnel			\$ 834,030

Operation of Plant

Custodial Personnel	\$	4,393,794	
Other Salaries and Wages		511,570	
Social Security		279,730	
Pensions		401,465	
Life Insurance		5,505	
Medical Insurance		1,219,553	
Dental Insurance		49,495	
Disability Insurance		4,490	
Employer Medicare		66,501	
Architects		8,000	
Communication		1,411	
Engineering Services		112,900	
Maintenance Agreements		82,502	
Maintenance and Repair Services - Equipment		1,131	
Pest Control		60,359	
Disposal Fees		254,312	
Permits		8,844	
Other Contracted Services		2,330	
Custodial Supplies		618,880	
Electricity		5,326,874	
Gasoline		13,097	
Natural Gas		324,165	
Water and Sewer		1,302,351	
Software		21,181	
Other Supplies and Materials		52,636	
Building and Contents Insurance		426,060	
Other Charges		1,037	
Administration Equipment		1,058	
Furniture and Fixtures		139,396	
Plant Operation Equipment		54,836	
Total Operation of Plant			15,745,463

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)Maintenance of Plant

Supervisor/Director	\$	87,550	
Secretary(ies)		36,860	
Maintenance Personnel		2,874,261	
Other Salaries and Wages		86,331	
Social Security		174,941	
Pensions		330,104	
Life Insurance		4,809	
Medical Insurance		988,651	
Dental Insurance		38,516	
Disability Insurance		3,502	
Employer Medicare		41,366	
Communication		6,859	
Maintenance and Repair Services - Buildings		429,575	
Maintenance and Repair Services - Equipment		122,799	
Maintenance and Repair Services - Vehicles		19,496	
Travel		1,796	
Other Contracted Services		175,939	
Equipment and Machinery Parts		104,614	
Gasoline		132,884	
Software		17,838	
Other Supplies and Materials		1,156,196	
In Service/Staff Development		6,874	
Other Charges		10,049	
Administration Equipment		104,024	
Maintenance Equipment		233,642	
Total Maintenance of Plant			\$ 7,189,476

Transportation

Supervisor/Director	\$	77,286
Mechanic(s)		382,426
Bus Drivers		2,988,164
Clerical Personnel		21,728
Other Salaries and Wages		833,277
Social Security		230,134
Pensions		462,134
Life Insurance		5,805
Medical Insurance		2,582,550
Dental Insurance		107,656
Disability Insurance		4,719
Employer Medicare		54,019
Communication		8,014
Laundry Service		5,046
Maintenance and Repair Services - Vehicles		53,556
Other Contracted Services		139,598
Diesel Fuel		594,177
Garage Supplies		7,664

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Gasoline	\$	13,780	
Lubricants		31,953	
Tires and Tubes		138,537	
Vehicle Parts		363,734	
Software		19,371	
Other Supplies and Materials		57,119	
Vehicle and Equipment Insurance		562,032	
In Service/Staff Development		1,884	
Other Charges		34,833	
Administration Equipment		9,862	
Transportation Equipment		251,469	
Total Transportation			\$ 10,042,527

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	66,300	
Clerical Personnel		84,877	
Cafeteria Personnel		3,632,473	
Other Salaries and Wages		199,190	
Social Security		217,801	
Pensions		383,921	
Life Insurance		5,156	
Medical Insurance		1,782,730	
Dental Insurance		71,078	
Disability Insurance		4,425	
Employer Medicare		51,567	
Communication		3,010	
Maintenance and Repair Services - Equipment		56,392	
Travel		10,124	
Other Contracted Services		33,094	
Food Preparation Supplies		490,266	
Food Supplies		4,156,793	
Office Supplies		22,045	
Utilities		240,211	
USDA - Commodities		903,500	
Software		43,048	
Other Supplies and Materials		9,405	
In Service/Staff Development		8,013	
Other Charges		909	
Food Service Equipment		59,542	
Total Food Service			12,535,870

Community Services

Supervisor/Director	\$	395,116
Educational Assistants		51,392
Other Salaries and Wages		971,214

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)Community Services (Cont.)

Social Security	\$	84,771	
Pensions		74,521	
Life Insurance		901	
Medical Insurance		203,133	
Dental Insurance		8,931	
Disability Insurance		709	
Employer Medicare		20,192	
Communication		5,128	
Travel		2,872	
Other Contracted Services		35,918	
Food Supplies		64,208	
Software		7,756	
Other Supplies and Materials		114,869	
In Service/Staff Development		5,442	
Other Charges		78,264	
Data Processing Equipment		81,363	
Furniture and Fixtures		10,404	
Other Equipment		35,273	
Other Capital Outlay		271,594	
Total Community Services			\$ 2,523,971

Early Childhood Education

Supervisor/Director	\$	66,703	
Teachers		168,102	
Educational Assistants		57,387	
Certified Substitute Teachers		200	
Non-certified Substitute Teachers		102	
Social Security		17,563	
Pensions		25,829	
Medical Insurance		42,877	
Dental Insurance		1,764	
Employer Medicare		4,108	
Instructional Supplies and Materials		7,567	
Other Supplies and Materials		207	
In Service/Staff Development		10,380	
Other Charges		22,292	
Other Equipment		3,575	
Total Early Childhood Education			428,656

Capital OutlayRegular Capital Outlay

Building Improvements	\$	941,344	
Data Processing Equipment		95,404	
Furniture and Fixtures		311,114	
Land		1,021,377	
Other Equipment		91,975	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)Capital Outlay (Cont.)Regular Capital Outlay (Cont.)

Other Construction	\$ 489,518	
Other Capital Outlay	49,992	
Total Regular Capital Outlay		\$ 3,000,724

Total General Purpose School Fund

\$ 268,581,344

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$ 1,187,052	
Educational Assistants	836,759	
Other Salaries and Wages	194,441	
Certified Substitute Teachers	475	
Non-certified Substitute Teachers	153	
Social Security	125,929	
Pensions	236,791	
Life Insurance	4,286	
Medical Insurance	806,007	
Dental Insurance	32,744	
Disability Insurance	3,595	
Employer Medicare	29,453	
Other Contracted Services	4,672	
Instructional Supplies and Materials	298,789	
Software	20,200	
Other Supplies and Materials	61,911	
Fee Waivers	10,000	
Other Charges	1,961	
Regular Instruction Equipment	221,613	
Total Regular Instruction Program		\$ 4,076,831

Special Education Program

Teachers	\$ 567,203	
Educational Assistants	1,438,871	
Speech Pathologist	54,162	
Social Security	110,872	
Pensions	218,924	
Life Insurance	2,803	
Medical Insurance	1,076,104	
Dental Insurance	44,413	
Disability Insurance	2,260	
Employer Medicare	25,963	
Contracts with Private Agencies	89,812	
Maintenance and Repair Services - Equipment	1,469	
Instructional Supplies and Materials	38,376	
Other Supplies and Materials	10,822	
Special Education Equipment	60,191	
Total Special Education Program		3,742,245

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)Career and Technical Education Program

Instructional Supplies and Materials	\$	32,000	
Other Supplies and Materials		20,608	
Vocational Instruction Equipment		303,877	
Total Career and Technical Education Program			\$ 356,485

Support ServicesOther Student Support

Other Salaries and Wages	\$	44,705	
Social Security		2,098	
Pensions		2,248	
Employer Medicare		647	
Travel		16,272	
Other Contracted Services		134,763	
Other Supplies and Materials		59,897	
In Service/Staff Development		42,757	
Other Charges		12,893	
Total Other Student Support			316,280

Regular Instruction Program

Supervisor/Director	\$	73,663	
Instructional Computer Personnel		54,475	
Secretary(ies)		30,535	
Clerical Personnel		11,981	
Other Salaries and Wages		430,956	
Social Security		36,342	
Pensions		59,376	
Life Insurance		509	
Medical Insurance		38,849	
Dental Insurance		1,872	
Disability Insurance		348	
Employer Medicare		8,523	
Consultants		15,000	
Travel		1,861	
Other Supplies and Materials		11,990	
In Service/Staff Development		546,993	
Other Charges		146,010	
Other Equipment		1,398	
Total Regular Instruction Program			1,470,681

Special Education Program

Supervisor/Director	\$	84,234	
Psychological Personnel		449,102	
Medical Personnel		396,351	
Other Salaries and Wages		484,117	
Social Security		80,528	
Pensions		135,759	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	2,181	
Medical Insurance		418,397	
Dental Insurance		17,872	
Disability Insurance		1,807	
Employer Medicare		18,832	
Contracts with Private Agencies		1,275	
Travel		1,069	
Other Contracted Services		23,222	
Other Supplies and Materials		38,709	
In Service/Staff Development		9,508	
Other Charges		1,324	
Other Equipment		3,241	
Total Special Education Program			\$ 2,167,528

Transportation

Contracts with Other School Systems	\$	1,611	
Contracts with Parents		5,603	
Total Transportation			7,214

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	378,128	
Social Security		21,374	
Pensions		27,665	
Life Insurance		186	
Medical Insurance		27,987	
Dental Insurance		671	
Disability Insurance		149	
Employer Medicare		5,405	
Travel		985	
Food Supplies		1,734	
Other Supplies and Materials		8,039	
In Service/Staff Development		8,185	
Other Charges		4,086	
Total Community Services			484,594

Total School Federal Projects Fund \$ 12,621,858

Total Governmental Funds - Sumner County School Department \$ 281,203,202

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

	Cities - Sales Tax Fund
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 27,211,404
Total Cash Receipts	<u>\$ 27,211,404</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 26,939,290
Trustee's Commission	272,114
Total Cash Disbursements	<u>\$ 27,211,404</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<u>0</u>
Cash Balance, June 30, 2020	<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

Sumner County Mayor and
Board of County Commissioners
Sumner 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 Sumner County, Tennessee as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Sumner County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 26, 2021.

Internal Control Over Financial Reporting

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

February 26, 2021

JEM/sl



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Sumner 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 Sumner County's major federal programs for the year ended June 30, 2020. Sumner 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 Sumner 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 Sumner 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 Sumner County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Sumner 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 Sumner 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 Sumner 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 Sumner County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Sumner County's basic financial statements. We issued our report thereon dated February 26, 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

February 26, 2021

JEM/sl

Sumner County, Tennessee, and the Sumner County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2020

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	\$ 953,543 (6)
Child and Adult Care Food Program	10.558	(4)	29,568
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	1,494,696 (6)
COVID 19 - School Breakfast Program	10.553	(4)	296,817 (6)
National School Lunch Program	10.555	(4)	4,297,738 (6)
COVID 19 - National School Lunch Program	10.555	(4)	469,511 (6)
Total U.S. Department of Agriculture			<u>\$ 7,541,873</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii	14.228	34819	\$ 114,476
Total U.S. Department of Housing and Urban Development			<u>\$ 114,476</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 30,017
Total U.S. Department of the Interior			<u>\$ 30,017</u>
U.S. Department of Justice:			
Direct Program:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 35,411
Passed-through State Department of Finance and Administration:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(7)	61,619
Total U.S. Department of Justice			<u>\$ 97,030</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	(4)	\$ 15,252
Total U.S. Department of Labor			<u>\$ 15,252</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction Cluster: (5)			
Highway Planning and Construction	20.205	(8)	\$ 5,001
Alcohol Open Container Requirements	20.607	(4)	24,011
Highway Safety Cluster: (5)			
National Priority Safety Programs	20.616	(4)	15,603
Total U.S. Department of Transportation			<u>\$ 44,615</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(4)	\$ 10,335
Total U.S. Institute of Museum and Library Services			<u>\$ 10,335</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	\$ 4,549,560
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	6,048,085
Special Education - Preschool Grants	84.173	(4)	127,243
Career and Technical Education - Basic Grants to States	84.048	(4)	387,612
Education for Homeless Children and Youth	84.196	(4)	49,891
Twenty-first Century Community Learning Centers	84.287	(4)	495,885
English Language Acquisition State Grants	84.365	(4)	73,367
Supporting Effective Instruction State Grants	84.367	(4)	967,844
Student Support and Academic Enrichment Program	84.424	(4)	324,014
Total U.S. Department of Education			<u>\$ 13,023,501</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Department of State:			
2020 HAVA Election Security Grants	90.404	(4)	\$ 1,820
Total U.S. Election Assistance Commission			<u>\$ 1,820</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Competitive Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	(4)	\$ 45,465
Total U.S. Department of Health and Human Services			<u>\$ 45,465</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 46,350
Homeland Security Grant Program	97.067	(4)	91,778
Total U.S. Department of Homeland Security			<u>\$ 138,128</u>
Total Expenditures of Federal Awards			<u>\$ 21,062,512</u>

State Grants		Contract Number	
Litter Program - State Department of Transportation	N/A	(4)	\$ 83,551
Juvenile Justice State Supplement Funds - State Commission on Children and Youth	N/A	(4)	9,000
Tourism Enhancement Grant - State Department of Economic and Community Development	N/A	(4)	250,000
Tennessee Highway Safety Office (THS) Recovery Court Enhancements Program - State Department of Mental Health and Substance Abuse Services	N/A	(4)	42,197
Lottery for Education: Afterschool Program - State Department of Education	N/A	(4)	280,872
Early Childhood Education - State Department of Education	N/A	(4)	365,681
Health Department Programs - State Department of Health	N/A	(4)	1,362,536
Family Resource Center - State Department of Education	N/A	(4)	29,180
Coordinated School Health Initiative - State Department of Education	N/A	(4)	155,001
Safe Schools Act - State Department of Education	N/A	(4)	386,703
Drug Court Grant Program - State Department of Mental Health and Substance Abuse Services	N/A	(4)	149,974
STEM Grant - TN Office of the Secretary of State - State Library and Archives	N/A	(4)	576
Total State Grants			<u>\$ 3,115,271</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Sumner 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 \$7,512,305; Highway Planning and Construction Cluster total \$5,001; Highway Safety Cluster total \$15,603; Special Education Cluster total \$6,175,328.
- (6) Total CFDA No. 10.553 \$1,791,513. Total CFDA No. 10.555 \$5,720,792.
- (7) Contract No. 28634: \$2,036; Contract No. 38564: \$59,583.
- (8) Contract No. 150068: \$3,751; Contract No. 150129: \$1,250.

Sumner County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Sumner County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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DIRECTOR OF SCHOOLS

2019	239	2019-001	Information technology equipment is missing.	N/A	Corrected
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Prior-year Federal Awards Findings

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

SUMNER COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Sumner County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Child Nutrition Cluster:
School Breakfast Program and
National School Lunch Program
 - * CFDA No. 84.367 Supporting Effective Instruction State Grants
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 RELATED TO THE FINANCIAL STATEMENTS

There were no findings and recommendations as a result of our audit of the financial statements of Sumner County, Tennessee.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2020.

Sumner County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

The audit of Sumner 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 Sumner County.

SUMNER COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING COVERING ALL COUNTY DEPARTMENTS

Sumner County operates under provisions of the Chapter 70, Private Acts of 2012, and Chapter 8, Private Acts of 2019, which provide for all funds under the supervision of the county mayor and superintendent of roads to be centralized. However, these provisions do not require the funds under the supervision of the school department to be centralized. Sound business practices dictate that establishing a central system for all county departments would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing covering all departments 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 covering all departments is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Sumner County. Therefore, we recommend that the county commission consider amending their existing private act to require a central system of accounting, budgeting, and purchasing covering all county departments.

APPENDIX D

Form of Continuing Disclosure Agreement

SUMNER COUNTY, TENNESSEE

\$_____ GENERAL OBLIGATION SCHOOL AND PUBLIC IMPROVEMENT REFUNDING BONDS, SERIES 2021

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered this ____ day of _____, 2021 by Sumner County, Tennessee (the "Issuer") in connection with the issuance of its \$_____ General Obligation School and Public Improvement Refunding Bonds, Series 2021 (the "Bonds"). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission (the "SEC"). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July of each calendar year and ending June 30 of the following calendar year.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement of the Issuer, dated _____, 2021, relating to the Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Registered Owner" means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

"Resolution" shall mean the bond resolution adopted by the County Commission of the Issuer on March 22, 2021.

"State" shall mean the State of Tennessee.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) Annual Financial Information. For Fiscal Years ending on or after June 30, 2021, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) To the extent not included in the audited financial statements, operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

- "Summary of Outstanding Debt";
- "Debt Ratios";
- "Per Capita Debt Ratios";
- "Debt Trend";
- "Debt Service";
- "General Fund Revenues, Expenditures and Changes in Fund Balance for the Fiscal Year";
- "Debt Service Fund Revenue, Expenditures and Changes in Fund Balance for the Fiscal Year";
- "School Fund Revenues, Expenditures and Changes in Fund Balance for the Fiscal Year";
- "Property Valuation and Property Tax";
- "Tax Rates, Assessments, Levies and Collections for the Fiscal Year";
- "Principal Taxpayers, Excluding Utilities";
- "Top Utility Taxpayers";
- "County Local Option Sales Tax"; and
- "County Motor Vehicle Taxes".

(b) Audited Financial Statements. For Fiscal Years ending on or after June 30, 2021, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) Event Notices. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) Notice of Failure to File Annual Financial Information. The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) Notice of Amendment of Disclosure Agreement. The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

(a) This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in

narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SUMNER COUNTY, TENNESSEE

By: _____
County Mayor