



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

August 3, 2020

The Honorable Anthony Holt, County Executive  
and Board of Commissioners  
Sumner County  
355 North Belvedere Drive, Room 102  
Gallatin, TN 37066

Dear Mr. Holt and Members of the Board:

This letter acknowledges receipt of a certified copy of the fiscal year 2021 budget.

We have reviewed the budget and have determined that projected revenues and other available funds are sufficient to meet anticipated expenditures. Our review of the budget is based solely on the information we have received. With regard to programs included in the budget such as education, roads, and corrections, we have not attempted to determine that the local government has complied with specific program statutes or guidelines, or with any financing requirements prescribed by any state or federal agency. Please note local officials are required to ensure the budget remains balanced throughout the fiscal year and that all maintenance of effort requirements are met – our office has not reviewed or approved any maintenance of effort programs in this budget. Budget amendments must be sent to our office for formal acknowledgement after they are approved by the local governing body (submit to: [LGF@cot.tn.gov](mailto:LGF@cot.tn.gov)).

### **Approval**

This letter constitutes approval, by this office, for the County's fiscal year 2021 budget as adopted by the County Commission.

### **Considerations Concerning the Budget**

The Division of Local Government Finance has determined that the County's budget meets basic statutory requirements, but we have detected a challenge, outlined below, that could possibly lead to financial problems in the future.

As part of the annual budget submission process required by T.C.A. § 9-21-403, the County provided a projected monthly cash flow analysis for the Highway Fund (the "Fund"). A review of the analysis indicated that the Fund is budgeted to have an amount of cash at the end of fiscal year 2021 that is less than one-month's average monthly spending. The Fund appears to have sufficient cash during fiscal year 2021 to remain balanced; however, to ensure this continues, the County's finance staff should provide the following information to the Commission, if it does not already do so:

- An updated cash flow analysis for the Fund showing actual data from the prior month and any changes to forecasted data, and
- A budget-to-actual report for the Fund including both revenue collections and expenditures.

Please submit these reports to the Commission at each regular meeting. As part of a financially well-run county, we recommend that the County's finance staff provide the Commission these reports for all County funds.

### **Changes to our Office**

We are enclosing a memorandum about the newly created Division of Local Government Finance within the Comptroller's Office.

If you should have questions or need assistance regarding statutory budget requirements, please refer to our online resources on our website or feel free to contact your financial analyst, Steve Osborne, at 615.747.5343 or [Steve.Osborne@cot.tn.gov](mailto:Steve.Osborne@cot.tn.gov). You may also contact our office by mail at the address located at the bottom of this page.

Very truly yours,



Betsy Knotts  
Director of the Division of Local Government Finance

Enclosure: Comptroller's Memorandum Regarding New Division

cc: Mr. Bryan Burklin, Assistant Director, Division of Local Government Audit

BK/sr/so