



ANNUAL FINANCIAL REPORT

Grundy County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
GRUNDY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

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

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Summary of Audit Findings

Annual Financial Report
Grundy County, Tennessee
For the Year Ended June 30, 2023

Scope

We have audited the basic financial statements of Grundy County as of and for the year ended June 30, 2023.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF DIRECTOR OF SCHOOLS AND TRUSTEE

- ◆ The School Federal Projects Fund had a cash overdraft at June 30, 2023, and the trustee paid checks from the School Federal Projects Fund that exceeded available funds.

OFFICE OF SHERIFF

- ◆ A cash shortage of \$150 existed in the Office of Sheriff at June 30, 2023.
- ◆ Duties were not segregated adequately.



INTRODUCTORY SECTION

Grundy County Officials

June 30, 2023

Officials

Michael Brady, County Mayor
Johnny Ray Fults, Highway Superintendent
Dr. Donald Durley, Director of Schools
Tyler McCullough, Trustee
Daniel Crabtree, Assessor of Property
Tammy Sholey, County Clerk
Penny Sons, Circuit and General Sessions Courts Clerk
Patricia Campbell, Clerk and Master
Gayle VanHooser, Register of Deeds
Heath Gunter, Sheriff

Board of County Commissioners

Gary Brewer, Chairman	
Mike Cordell	Matthew Layne
Kelly Gibbs	David Lockhart
David Griswold	Danny Lusk
Don Hutcheson	Chris Rogers

Board of Education

Rick Rust, Chairman	
Linda Broom	Catrina Magourik
Dr. David Dickerson	Doyle Shrum
Justin Harris	Nelda Stiefel
Phyllis Lusk	Margaret Thomas

Audit Committee

Rusty Payne, Chairman
Brenda Andy
Danny Lusk

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grundy County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grundy County, Tennessee, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Grundy County School Department (a discretely presented component unit), which represent 1.85 percent, 1.94 percent, and 2.75 percent, respectively, of the assets, net position, and revenues of the discretely presented component. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Grundy County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for

the Audit of the Financial Statements section of our report. We are required to be independent of Grundy County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grundy County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Grundy County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grundy County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total OPEB liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grundy County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Grundy County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Grundy County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, on our consideration of Grundy 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 the Grundy 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 Grundy County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 22, 2024

JEM/gc

BASIC FINANCIAL STATEMENTS

Exhibit A

Grundy County, Tennessee
Statement of Net Position
June 30, 2023

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Grundy County School Department
<u>ASSETS</u>				
Cash	\$ 600	\$ 0	\$ 600	\$ 462,523
Equity in Pooled Cash and Investments	13,446,183	162,616	13,608,799	9,658,150
Accounts Receivable	2,052	8,221	10,273	18,739
Due from Other Governments	684,925	0	684,925	1,328,176
Property Taxes Receivable	4,899,275	0	4,899,275	1,492,917
Allowance for Uncollectible Property Taxes	(391,082)	0	(391,082)	(119,112)
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	198,841
Net Pension Asset - Agent Plan	481,935	0	481,935	290,026
Net Pension Asset - Teacher Retirement Plan	0	0	0	37,468
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	2,268,524
Capital Assets:				
Assets Not Depreciated:				
Land	414,790	30,000	444,790	257,571
Construction in Progress	948,664	0	948,664	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	8,225,200	508,415	8,733,615	8,130,502
Infrastructure	1,286,946	195,762	1,482,708	0
Other Capital Assets	1,344,680	0	1,344,680	1,001,407
Total Assets	<u>\$ 31,344,168</u>	<u>\$ 905,014</u>	<u>\$ 32,249,182</u>	<u>\$ 25,025,732</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 209,905	\$ 0	\$ 209,905	\$ 501,533
Pension Changes in Assumptions	364,997	0	364,997	1,684,666
Pension Changes in Investment Earnings	20,648	0	20,648	63,027
Pension Chantes in Proportion	0	0	0	138,146
Pension Contributions After Measurement Date	209,658	0	209,658	691,873
OPEB Changes in Experience	0	0	0	14,679
OPEB Changes in Assumptions	0	0	0	331,826
OPEB Changes in Proportion	0	0	0	35,913
OPEB Changes in Contributions after Measurement Date	683	0	683	73,045
Total Deferred Outflows of Resources	<u>\$ 805,891</u>	<u>\$ 0</u>	<u>\$ 805,891</u>	<u>\$ 3,534,708</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 10,449	\$ 0	\$ 10,449	\$ 142,105
Accrued Interest Payable	1,122	0	0	0
Payroll Deductions Payable	35	0	35	409,743
Cash Overdraft	0	0	0	284,000
Due to Other Governments	2,608,036	0	2,608,036	0
Due to State of Tennessee	0	0	0	339
Due to Litigants, Heirs, and Others	22,710	0	22,710	0
Noncurrent Liabilities:				
Due Within One Year - Debt	264,972	0	264,972	0
Due Within One Year - Other	31,056	0	31,056	0
Due in More Than One Year - Debt	6,176,151	0	6,176,151	0
Due in More Than One Year - Other	371,002	0	371,002	1,585,828
Total Liabilities	<u>\$ 9,485,533</u>	<u>\$ 0</u>	<u>\$ 9,484,411</u>	<u>\$ 2,422,015</u>

(Continued)

Exhibit A

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

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Grundy County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,282,301	\$ 0	\$ 4,282,301	\$ 1,289,380
Pension Changes in Experience	120,812	0	120,812	478,781
Pension Changes in Proportion	0	0	0	9,280
OPEB Changes in Experience	12,692	0	12,692	218,690
OPEB Changes in Assumptions	12,706	0	12,706	218,741
OPEB Changes in Proportion	0	0	0	87,932
Total Deferred Inflows of Resources	<u>\$ 4,428,511</u>	<u>\$ 0</u>	<u>\$ 4,428,511</u>	<u>\$ 2,302,804</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 5,779,157	\$ 734,177	\$ 6,513,334	\$ 9,389,480
Restricted for:				
General Government	353,587	0	353,587	0
Finance	20,032	0	20,032	0
Administration of Justice	267,415	0	267,415	0
Public Safety	288,778	0	288,778	0
Public Health and Welfare	864,316	0	864,316	0
Highways	3,688,273	0	3,688,273	0
Debt Service	4,396,870	0	4,396,870	0
Capital Outlay	432,052	0	432,052	0
Education	0	0	0	2,237,114
Pensions	481,935	0	481,935	2,794,859
Unrestricted	<u>1,663,600</u>	<u>170,837</u>	<u>1,834,437</u>	<u>9,414,168</u>
Total Net Position	<u>\$ 18,236,015</u>	<u>\$ 905,014</u>	<u>\$ 19,141,029</u>	<u>\$ 23,835,621</u>

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

Exhibit B

Grundy County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Unit
					Governmental Activities	Business-type Activities	Total	Grundy County School Department
Primary Government:								
Governmental Activities:								
General Government	\$ 2,008,654	\$ 166,528	\$ 112,833	\$ 0	\$ (1,729,293)	\$ 0	\$ (1,729,293)	\$ 0
Finance	677,640	416,339	0	0	(261,301)	0	(261,301)	0
Administration of Justice	623,638	206,383	98,475	0	(318,780)	0	(318,780)	0
Public Safety	3,543,787	539,096	18,372	0	(2,986,319)	0	(2,986,319)	0
Public Health and Welfare	2,133,820	146,816	303,799	94,872	(1,588,333)	0	(1,588,333)	0
Social, Cultural, and Recreational Services	52,687	0	14,500	0	(38,187)	0	(38,187)	0
Agriculture and Natural Resources	148,467	0	0	0	(148,467)	0	(148,467)	0
Highways/Public Works	2,738,907	181,599	3,137,846	0	580,538	0	580,538	0
Interest on Long-term Debt	234,790	0	0	0	(234,790)	0	(234,790)	0
Total Governmental Activities	\$ 12,162,390	\$ 1,656,761	\$ 3,685,825	\$ 94,872	\$ (6,724,932)	\$ 0	\$ (6,724,932)	\$ 0
Business-type Activities:								
Waste Water	\$ 158,231	\$ 146,256	\$ 0	\$ 0	\$ 0	\$ (11,975)	\$ (11,975)	\$ 0
Total Primary Government	\$ 12,320,621	\$ 1,803,017	\$ 3,685,825	\$ 94,872	\$ (6,724,932)	\$ (11,975)	\$ (6,736,907)	\$ 0
Component Unit:								
Grundy County School Department	\$ 21,753,354	\$ 113,015	\$ 7,563,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ (14,076,839)
Total Component Unit	\$ 21,753,354	\$ 113,015	\$ 7,563,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ (14,076,839)

(Continued)

Exhibit B

Grundy County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Grundy County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 4,470,533	\$ 0	\$ 4,470,533	\$ 1,674,769
Property Taxes Levied for Debt Service					947	0	947	0
Local Option Sales Taxes					1,158,518	0	1,158,518	968,232
Litigation Tax - General					13,465	0	13,465	0
Litigation Tax - Special Purpose					21,473	0	21,473	0
Litigation Tax - Jail, Workhouse, or Courthouse					9,099	0	9,099	0
Hotel/Motel Tax					278,262	0	278,262	0
Business Tax					56,498	0	56,498	57,576
Grants and Contributions Not Restricted to Specific Programs					554,078	0	554,078	13,356,863
Unrestricted Investment Earnings					392,816	0	392,816	12,176
Sale of Equipment					8,100	0	8,100	0
Miscellaneous					56,338	0	56,338	104,523
Total General Revenues					\$ 7,020,127	\$ 0	\$ 7,020,127	\$ 16,174,139
Change in Net Position					\$ 295,195	\$ (11,975)	\$ 283,220	\$ 2,097,300
Net Position, July 1, 2022					17,940,820	916,989	18,857,809	21,738,321
Net Position, June 30, 2023					\$ 18,236,015	\$ 905,014	\$ 19,141,029	\$ 23,835,621

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

Exhibit C-1

Grundy County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2023

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600	\$ 600
Equity in Pooled Cash and Investments	4,771,089	666,253	3,351,171	4,196,870	457,985	13,443,368
Accounts Receivable	747	0	0	0	1,305	2,052
Due from Other Governments	107,713	22,475	354,737	200,000	0	684,925
Due from Other Funds	1,905	0	2,815	0	0	4,720
Property Taxes Receivable	4,148,432	750,843	0	0	0	4,899,275
Allowance for Uncollectible Property Taxes	(331,154)	(59,928)	0	0	0	(391,082)
Total Assets	\$ 8,698,732	\$ 1,379,643	\$ 3,708,723	\$ 4,396,870	\$ 459,890	\$ 18,643,858
<u>LIABILITIES</u>						
Accounts Payable	\$ 4,450	\$ 5,535	\$ 464	\$ 0	\$ 0	\$ 10,449
Payroll Deductions Payable	35	0	0	0	0	35
Due to Other Funds	0	0	0	0	1,905	1,905
Due to Other Governments	2,608,036	0	0	0	0	2,608,036
Due to Litigants, Heirs, and Others	0	0	0	0	22,710	22,710
Total Liabilities	\$ 2,612,521	\$ 5,535	\$ 464	\$ 0	\$ 24,615	\$ 2,643,135
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 3,627,843	\$ 654,458	\$ 0	\$ 0	\$ 0	\$ 4,282,301
Deferred Delinquent Property Taxes	180,418	34,722	0	0	0	215,140
Other Deferred/Unavailable Revenue	1,905	0	175,747	100,000	0	277,652
Total Deferred Inflows of Resources	\$ 3,810,166	\$ 689,180	\$ 175,747	\$ 100,000	\$ 0	\$ 4,775,093

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 12,508	\$ 0	\$ 0	\$ 0	\$ 341,079	\$ 353,587
Restricted for Finance	20,032	0	0	0	0	20,032
Restricted for Administration of Justice	267,415	0	0	0	0	267,415
Restricted for Public Safety	194,582	0	0	0	94,196	288,778
Restricted for Public Health and Welfare	179,388	684,928	0	0	0	864,316
Restricted for Highways/Public Works	0	0	3,532,512	0	0	3,532,512
Restricted for Capital Outlay	432,052	0	0	0	0	432,052
Restricted for Debt Service	0	0	0	4,296,870	0	4,296,870
Committed:						
Committed for Public Health and Welfare	119,240	0	0	0	0	119,240
Unassigned	1,050,828	0	0	0	0	1,050,828
Total Fund Balances	<u>\$ 2,276,045</u>	<u>\$ 684,928</u>	<u>\$ 3,532,512</u>	<u>\$ 4,296,870</u>	<u>\$ 435,275</u>	<u>\$ 11,225,630</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,698,732</u>	<u>\$ 1,379,643</u>	<u>\$ 3,708,723</u>	<u>\$ 4,396,870</u>	<u>\$ 459,890</u>	<u>\$ 18,643,858</u>

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

Exhibit C-2

Grundy County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2023

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)		\$ 11,225,630
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 414,790	
Add: construction in progress	948,664	
Add: buildings and improvements net of accumulated depreciation	8,225,200	
Add: infrastructure net of accumulated depreciation	1,286,946	
Add: other capital assets net of accumulated depreciation	<u>1,344,680</u>	12,220,280
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (6,291,123)	
Less: notes payable	(150,000)	
Less: accrued interest on outstanding debt	(1,122)	
Less: compensated absences payable	(19,986)	
Less: net OPEB liability	(18,950)	
Less: landfill closure/postclosure care costs	<u>(363,122)</u>	(6,844,303)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 805,208	
Less: deferred inflows of resources related to pensions	(120,812)	
Add: deferred outflows of resources related to OPEB	683	
Less: deferred inflows of resources related to OPEB	<u>(25,398)</u>	659,681
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		481,935
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>492,792</u>
Net position of governmental activities (Exhibit A)		<u>\$ 18,236,015</u>

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

Exhibit C-3

Grundy County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 4,214,143	\$ 726,224	\$ 0	\$ 1,109,465	\$ 21,473	\$ 6,071,305
Licenses and Permits	35,389	0	0	0	0	35,389
Fines, Forfeitures, and Penalties	98,600	0	0	0	21,276	119,876
Charges for Current Services	46,078	18	144,232	0	213	190,541
Other Local Revenues	173,699	84,779	37,367	392,816	147,435	836,096
Fees Received From County Officials	636,593	0	0	0	0	636,593
State of Tennessee	979,969	51,281	3,137,846	0	0	4,169,096
Federal Government	296,393	0	0	0	20,633	317,026
Other Governments and Citizens Groups	89,903	0	0	26,445	0	116,348
Total Revenues	\$ 6,570,767	\$ 862,302	\$ 3,319,445	\$ 1,528,726	\$ 211,030	\$ 12,492,270
<u>Expenditures</u>						
Current:						
General Government	\$ 1,184,204	\$ 0	\$ 0	\$ 0	\$ 28,512	\$ 1,212,716
Finance	632,840	0	0	0	0	632,840
Administration of Justice	598,763	0	0	0	0	598,763
Public Safety	3,021,249	0	0	0	31,048	3,052,297
Public Health and Welfare	506,396	898,499	0	0	0	1,404,895
Social, Cultural, and Recreational Services	52,687	0	0	0	0	52,687
Agriculture and Natural Resources	147,976	0	0	0	0	147,976
Other Operations	1,782,346	14,486	0	0	48,240	1,845,072
Highways	0	0	2,868,754	0	0	2,868,754
Debt Service:						
Principal on Debt	0	0	0	574,933	0	574,933
Interest on Debt	0	0	0	233,668	0	233,668
Other Debt Service	0	0	0	16,574	0	16,574

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 131,855	\$ 0	\$ 0	\$ 0	\$ 20,633	\$ 152,488
Total Expenditures	\$ 8,058,316	\$ 912,985	\$ 2,868,754	\$ 825,175	\$ 128,433	\$ 12,793,663
<u>Excess (Deficiency) of Revenues Over Expenditures</u>						
	\$ (1,487,549)	\$ (50,683)	\$ 450,691	\$ 703,551	\$ 82,597	\$ (301,393)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000
Total Other Financing Sources (Uses)	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000
<u>Net Change in Fund Balances</u>						
Fund Balance, July 1, 2022	\$ (1,337,549)	\$ (50,683)	\$ 450,691	\$ 703,551	\$ 82,597	\$ (151,393)
	3,613,594	735,611	3,081,821	3,593,319	352,678	11,377,023
<u>Fund Balance, June 30, 2023</u>						
	\$ 2,276,045	\$ 684,928	\$ 3,532,512	\$ 4,296,870	\$ 435,275	\$ 11,225,630

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

Exhibit C-4

Grundy 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, 2023

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)		\$ (151,393)
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 740,474	
Less: current-year depreciation expense	<u>(773,976)</u>	(33,502)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2023	\$ 492,792	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(501,032)</u>	(8,240)
<p>(3) The issuance of long-term debt (e.g., bonds, notes, other loans, 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 net effect of these differences in the treatment of long-term debt and related items.</p>		
Less: note proceeds	\$ (150,000)	
Add: principal payments on bonds	111,023	
Add: principal payments on notes	142,464	
Add: principal payments on other loans	321,446	
Less: contributions from the school department for notes and other loans	<u>(26,445)</u>	398,488
<p>(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.</p>		
Change in accrued interest payable	\$ (1,122)	
Change in compensated absences payable	(4,204)	
Change in net pension liability/asset	(1,595,165)	
Change in deferred outflows related to pensions	34,619	
Change in deferred inflows related to pensions	1,672,550	
Change in OPEB liability	6,756	
Change in deferred outflows related to OPEB	126	
Change in deferred inflows related to OPEB	(10,083)	
Change in landfill closure/postclosure care costs	<u>(13,635)</u>	89,842
Change in net position of governmental activities (Exhibit B)		<u>\$ 295,195</u>

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

Exhibit C-5

Grundy County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,214,143	\$ 4,036,700	\$ 4,061,700	\$ 152,443
Licenses and Permits	35,389	41,300	41,300	(5,911)
Fines, Forfeitures, and Penalties	98,600	43,050	43,050	55,550
Charges for Current Services	46,078	28,000	34,230	11,848
Other Local Revenues	173,699	11,500	66,509	107,190
Fees Received From County Officials	636,593	598,500	598,500	38,093
State of Tennessee	979,969	437,400	801,425	178,544
Federal Government	296,393	9,600	699,680	(403,287)
Other Governments and Citizens Groups	89,903	7,500	7,500	82,403
Total Revenues	\$ 6,570,767	\$ 5,213,550	\$ 6,353,894	\$ 216,873
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 113,374	\$ 84,549	\$ 122,731	\$ 9,357
Board of Equalization	2,000	2,000	2,000	0
Beer Board	394	550	800	406
County Mayor/Executive	304,334	258,570	315,991	11,657
County Attorney	25,200	16,000	30,000	4,800
Election Commission	235,063	237,331	237,331	2,268
Register of Deeds	140,294	136,890	140,658	364
County Buildings	363,545	348,485	413,160	49,615
<u>Finance</u>				
Property Assessor's Office	206,917	227,977	227,977	21,060
County Trustee's Office	186,450	193,405	193,405	6,955
County Clerk's Office	239,473	217,542	239,572	99
<u>Administration of Justice</u>				
Circuit Court	216,522	282,607	282,607	66,085
General Sessions Judge	180,598	180,429	180,829	231
Chancery Court	147,571	153,091	153,091	5,520
Juvenile Court	27,480	36,067	36,067	8,587
Other Administration of Justice	26,592	30,000	30,000	3,408
<u>Public Safety</u>				
Sheriff's Department	1,282,141	1,440,059	1,401,756	119,615
Administration of the Sexual Offender Registry	0	500	500	500
Jail	1,328,880	1,387,444	1,347,244	18,364
Correctional Incentive Program Improvements	123,056	0	126,320	3,264
Juvenile Services	107,049	0	107,400	351
Work Release Program	0	0	12,000	12,000
Fire Prevention and Control	19,000	23,000	23,000	4,000
Rescue Squad	5,000	10,000	10,000	5,000
Other Emergency Management	102,286	50,154	110,154	7,868
County Coroner/Medical Examiner	12,400	13,600	13,600	1,200
Public Safety Grants Program	26,056	0	26,061	5
Other Public Safety	15,381	2,000	24,597	9,216
<u>Public Health and Welfare</u>				
Local Health Center	49,063	52,158	52,658	3,595
Ambulance/Emergency Medical Services	200,000	200,000	200,000	0
Other Local Health Services	105,333	230,270	230,270	124,937

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Regional Mental Health Center	\$ 2,000	\$ 2,000	\$ 2,000	\$ 0
Other Public Health and Welfare	150,000	150,000	150,000	0
<u>Social, Cultural, and Recreational Services</u>				
Libraries	52,687	53,670	53,670	983
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	103,781	108,470	108,470	4,689
Soil Conservation	44,195	51,332	51,332	7,137
<u>Other Operations</u>				
Tourism	64,071	35,000	69,945	5,874
Other Economic and Community Development	399,345	0	446,451	47,106
Veterans' Services	13,974	16,054	16,054	2,080
Other Charges	223,325	250,900	250,900	27,575
Contributions to Other Agencies	77,700	83,350	93,550	15,850
Employee Benefits	358,906	386,500	475,514	116,608
COVID-19 Grant I	9,252	0	90,287	81,035
COVID-19 Grant J	57,239	0	102,225	44,986
Miscellaneous	578,534	46,000	585,234	6,700
<u>Capital Projects</u>				
Public Health and Welfare Projects	131,855	0	216,860	85,005
Total Expenditures	\$ 8,058,316	\$ 6,997,954	\$ 9,004,271	\$ 945,955
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (1,487,549)	\$ (1,784,404)	\$ (2,650,377)	\$ 1,162,828
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 150,000	\$ 0	\$ 0	\$ 150,000
Total Other Financing Sources	\$ 150,000	\$ 0	\$ 0	\$ 150,000
Net Change in Fund Balance	\$ (1,337,549)	\$ (1,784,404)	\$ (2,650,377)	\$ 1,312,828
Fund Balance, July 1, 2022	3,613,594	4,659,739	4,659,739	(1,046,145)
Fund Balance, June 30, 2023	\$ 2,276,045	\$ 2,875,335	\$ 2,009,362	\$ 266,683

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

Exhibit C-6

Grundy County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 726,224	\$ 685,820	\$ 685,820	\$ 40,404
Charges for Current Services	18	0	0	18
Other Local Revenues	84,779	26,000	26,000	58,779
State of Tennessee	51,281	44,200	44,200	7,081
Total Revenues	<u>\$ 862,302</u>	<u>\$ 756,020</u>	<u>\$ 756,020</u>	<u>\$ 106,282</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 43,882	\$ 44,200	\$ 44,200	\$ 318
Convenience Centers	843,547	692,250	850,785	7,238
Landfill Operation and Maintenance	11,070	16,000	13,700	2,630
<u>Other Operations</u>				
Other Charges	14,486	15,000	15,300	814
Total Expenditures	<u>\$ 912,985</u>	<u>\$ 767,450</u>	<u>\$ 923,985</u>	<u>\$ 11,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (50,683)</u>	<u>\$ (11,430)</u>	<u>\$ (167,965)</u>	<u>\$ 117,282</u>
Net Change in Fund Balance	\$ (50,683)	\$ (11,430)	\$ (167,965)	\$ 117,282
Fund Balance, July 1, 2022	735,611	742,539	742,539	(6,928)
Fund Balance, June 30, 2023	<u>\$ 684,928</u>	<u>\$ 731,109</u>	<u>\$ 574,574</u>	<u>\$ 110,354</u>

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

Exhibit C-7

Grundy County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 144,232	\$ 175,000	\$ 175,000	\$ (30,768)
Other Local Revenues	37,367	85,500	85,500	(48,133)
State of Tennessee	3,137,846	2,344,547	3,251,888	(114,042)
Total Revenues	\$ 3,319,445	\$ 2,605,047	\$ 3,512,388	\$ (192,943)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 199,078	\$ 217,431	\$ 217,431	\$ 18,353
Highway and Bridge Maintenance	1,199,285	1,547,688	1,547,688	348,403
Operation and Maintenance of Equipment	196,929	299,245	324,245	127,316
Other Charges	135,981	165,000	165,000	29,019
Capital Outlay	1,137,481	1,141,833	2,779,174	1,641,693
Total Expenditures	\$ 2,868,754	\$ 3,371,197	\$ 5,033,538	\$ 2,164,784
Excess (Deficiency) of Revenues Over Expenditures	\$ 450,691	\$ (766,150)	\$ (1,521,150)	\$ 1,971,841
Net Change in Fund Balance	\$ 450,691	\$ (766,150)	\$ (1,521,150)	\$ 1,971,841
Fund Balance, July 1, 2022	3,081,821	2,356,530	2,356,530	725,291
Fund Balance, June 30, 2023	\$ 3,532,512	\$ 1,590,380	\$ 835,380	\$ 2,697,132

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

Exhibit D-1

Grundy County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2023

	Business-type Activities -
	Major
	Enterprise
	Fund
	Waste
	Water Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 162,616
Accounts Receivable	8,221
Total Current Assets	<u>\$ 170,837</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 30,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	508,415
Infrastructure	195,762
Total Noncurrent Assets	<u>\$ 734,177</u>
Total Assets	<u>\$ 905,014</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 734,177
Unrestricted	<u>170,837</u>
Total Net Position	<u>\$ 905,014</u>

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

Exhibit D-2

Grundy County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Business-type Activities -
	Major
	Enterprise
	Fund
	Waste
	Water Fund
<u>Operating Revenues</u>	
Water Treatment Charges	\$ 146,256
Total Operating Revenues	<u>\$ 146,256</u>
<u>Operating Expenses</u>	
Communication	\$ 1,324
Postal Charges	0
Other Contracted Services	32,533
Electricity	12,012
Water and Sewer	303
Testing	6,717
Other Supplies and Materials	34,065
Depreciation	68,845
Other Charges	2,432
Total Operating Expenses	<u>\$ 158,231</u>
Operating Loss	<u>\$ (11,975)</u>
Change in Net Position	\$ (11,975)
Net Position, July 1, 2022	<u>916,989</u>
Net Position, June 30, 2023	<u><u>\$ 905,014</u></u>

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

Exhibit D-3

Grundy County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Business-type Activities -
	Major Enterprise Fund
	Waste Water Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 146,256
Payments to Vendors	(87,954)
Other Payments	(1,432)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 56,870</u>
Net Increase (Decrease) in Cash	\$ 56,870
Cash, July 1, 2022	<u>105,746</u>
Cash, June 30, 2023	<u><u>\$ 162,616</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (11,975)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	<u>68,845</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 56,870</u></u>

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

Exhibit E-1

Grundy County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,311,507
Equity in Pooled Cash and Investments	1,304
Due from Other Governments	216,899
Cash Shortage	<u>150</u>
Total Assets	<u>\$ 1,529,860</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 218,203</u>
Total Liabilities	<u>\$ 218,203</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,311,657</u>
Total Net Position	<u><u>\$ 1,311,657</u></u>

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

Exhibit E-2

Grundy County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 1,121,157
Fines/Fees and Other Collections	<u>3,845,135</u>
Total Additions	<u>\$ 4,966,292</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 1,121,157
Payments to State	1,580,868
Payments to Cities, Individuals and Others	<u>1,875,199</u>
Total Deductions	<u>\$ 4,577,224</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 389,068
Net Position, July 1, 2022	<u>922,589</u>
Net Position, June 30, 2023	<u><u>\$ 1,311,657</u></u>

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

GRUNDY COUNTY, TENNESSEE
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GRUNDY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grundy 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 Grundy County:

A. Reporting Entity

Grundy County is a public municipal corporation governed by an elected nine-member board. As required by GAAP, these financial statements present Grundy County (the primary government) and its component units. The financial statements of the Grundy County Emergency Communications District, a component unit 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 Grundy County School Department operates the public school system in the county, and the voters of Grundy 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 Grundy County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Grundy County, and the Grundy 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 Grundy County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Grundy County Emergency Communications District
P.O. Box 433
Altamont, TN 37301

Related Organization – The Industrial Development Board of Grundy County is a related organization of Grundy County. The county mayor nominates, and the Grundy County Commission confirms the board members, but the county’s accountability for the organization 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Grundy 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.

Grundy County issues all debt for the discretely presented Grundy County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements. 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 Grundy 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 and proprietary categories. Grundy County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. Grundy County considers grants and similar

revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Proprietary and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes a private-purpose trust fund and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement.

Grundy 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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions relating to the disposal of Grundy County’s solid waste. Local taxes are the foundational revenues of this 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.

Grundy County reports the following major proprietary fund:

Waste Water Fund – This fund accounts for a waste water system, which treats waste water for various industries, businesses, and citizens in the county.

Additionally, Grundy County reports the following fund types:

Capital Projects Fund – This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and the other capital assets.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Grundy County.

The discretely presented Grundy County School Department reports the following major governmental funds:

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

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

Central Cafeteria Fund – This special revenue fund is used to account for the cafeteria operations in each of the schools. USDA School Lunch and Breakfast Programs and payments received from the sale of meals are the foundational revenues of this fund.

Additionally, the school department reports the following fund type:

Private Purpose Trust Fund – The Other Trust Fund is used to account for savings bond awards given to Grundy County students who win an essay contest and a spelling bee. Money for this fund was provided by a citizen.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 22) are presented in this report. We do not believe using the prior year balances will affect the

independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for waste water treatment. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on 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 Grundy 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 Debt Service Fund. Grundy 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. Grundy County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 8 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.

3. 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 Grundy 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 Grundy County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Grundy 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.

4. **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 and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 (\$15,000 for roads and bridges) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 40
Infrastructure:	
Roads	20 - 40
Bridges	40
Other Capital Assets	5 - 20

5. **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 assets 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 pension and OPEB changes in experience, assumptions, and proportion; pension change in investment earnings; and employer contributions made to the pension and OPEB plans 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 assets 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 items are from the following sources: current and delinquent property taxes; pension and OPEB changes in experience and proportionate share; OPEB change in assumptions; 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.

6. Compensated Absences

Primary Government

The general policy of Grundy County does not allow for the accumulation of vacation and sick days beyond the fiscal year-end, except for the highway department, which permits the accumulation of vacation and sick leave exceeding a normal year's accumulation. There is no liability for unpaid accumulated sick leave since the highway department does not have a policy to pay any amounts when employees separate from service with the department. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Grundy County School Department

The general policy of the Grundy County School Department does not allow for the accumulation of personal days beyond the fiscal year-end. Professional personnel earn two days of personal leave a year and any unused personal leave is converted to sick leave. Support personnel receive one sick day for each month the employee works. Support personnel may request and receive compensation for unused sick leave, accumulated during the current school year, at the end of the fiscal school year. A liability for sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-

term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. 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.

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.

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/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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

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

Discretely Presented Grundy 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 Grundy County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Grundy 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 Grundy County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund and the school department’s Internal School Fund (special revenue funds) which are not budgeted, and the General Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

B. Cash Shortage

The Office of Sheriff had a cash shortage of \$150 at June 30, 2023. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report. On February 15, 2024, the sheriff liquidated this shortage from personal funds.

C. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$284,000 at June 30, 2023. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2023.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Support Services - Attendance major appropriations category (the legal level of control) of the General Purpose School Fund by \$17,532. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General Purpose School Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Grundy County and the Grundy 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 and investments reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 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 fair value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal

employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

The county had no pooled or nonpooled investments as of June 30, 2023.

TCRS Stabilization Trust

Legal Provisions. The Grundy 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 Grundy County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2023, the Grundy County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 61,641
Developed Market International Equity	N/A	N/A	27,838
Emerging Market International Equity	N/A	N/A	7,954
U.S. Fixed Income	N/A	N/A	39,768
Real Estate	N/A	N/A	19,884
Short-term Securities	N/A	N/A	1,988
NAV - Private Equity and Strategic Lending	N/A	N/A	39,768
 Total			\$ 198,841

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

B. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-22	Increases	Balance 6-30-23
Capital Assets Not Depreciated:			
Land	\$ 414,790	\$ 0	\$ 414,790
Construction in Progress	683,204	265,460	948,664
Total Capital Assets Not Depreciated	<u>\$ 1,097,994</u>	<u>\$ 265,460</u>	<u>\$ 1,363,454</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 11,664,289	\$ 0	\$ 11,664,289
Infrastructure	8,274,806	0	8,274,806
Other Capital Assets	4,366,815	475,014	4,841,829
Total Capital Assets Depreciated	<u>\$ 24,305,910</u>	<u>\$ 475,014</u>	<u>\$ 24,780,924</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 3,155,979	\$ 283,110	\$ 3,439,089
Infrastructure	6,852,784	135,076	6,987,860
Other Capital Assets	3,141,359	355,790	3,497,149
Total Accumulated Depreciation	<u>\$ 13,150,122</u>	<u>\$ 773,976</u>	<u>\$ 13,924,098</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,155,788</u>	<u>\$ (298,962)</u>	<u>\$ 10,856,826</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,253,782</u>	<u>\$ (33,502)</u>	<u>\$ 12,220,280</u>

There were no decreases in capital assets to report during the year ended June 30, 2023.

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

Governmental Activities:

General Government	\$ 93,520
Public Safety	280,119
Public Health and Welfare	137,071
Agriculture and Natural Resources	491
Highways/Public Works	<u>262,775</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 773,976</u>

Net Investment in Capital Assets

Capital Assets	\$ 12,220,280
Less:	
Outstanding principal of capital debt and other capital borrowings	<u>(6,441,123)</u>
Net Investment in Capital Assets	<u>\$ 5,779,157</u>

Waste Water Fund (enterprise fund)

Business-type Activities:

	Balance 7-1-22	Increases	Balance 6-30-23
Capital Assets Not Depreciated:			
Land	\$ 30,000	\$ 0	\$ 30,000
Total Capital Assets Not Depreciated	<u>\$ 30,000</u>	<u>\$ 0</u>	<u>\$ 30,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,654,496	\$ 0	\$ 1,654,496
Infrastructure	777,647	0	777,647
Total Capital Assets Depreciated	<u>\$ 2,432,143</u>	<u>\$ 0</u>	<u>\$ 2,432,143</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 1,106,787	\$ 39,294	\$ 1,146,081
Infrastructure	552,334	29,551	581,885
Total Accumulated Depreciation	<u>\$ 1,659,121</u>	<u>\$ 68,845</u>	<u>\$ 1,727,966</u>
Total Capital Assets Depreciated, Net	<u>\$ 773,022</u>	<u>\$ (68,845)</u>	<u>\$ 704,177</u>
Business-type Activities Capital Assets, Net	<u>\$ 803,022</u>	<u>\$ (68,845)</u>	<u>\$ 734,177</u>

There were no decreases in capital assets to report during the year ended June 30, 2023.

Depreciation expense was charged to functions of the enterprise fund as follows:

Business-type Activities:

Public Health and Welfare	<u>\$ 68,845</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$ 68,845</u></u>

Discretely Presented Grundy County School Department

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 257,571	\$ 0	\$ 0	\$ 257,571
Construction in Progress	57,168	0	(57,168)	0
Total Capital Assets Not Depreciated	\$ 314,739	\$ 0	\$ (57,168)	\$ 257,571
Capital Assets Depreciated:				
Buildings and Improvements	\$ 23,109,239	\$ 115,743	\$ 0	\$ 23,224,982
Other Capital Assets	3,789,098	12,495	0	3,801,593
Total Capital Assets Depreciated	\$ 26,898,337	\$ 128,238	\$ 0	\$ 27,026,575
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 14,558,192	\$ 536,288	\$ 0	\$ 15,094,480
Other Capital Assets	2,608,717	191,469	0	2,800,186
Total Accumulated Depreciation	\$ 17,166,909	\$ 727,757	\$ 0	\$ 17,894,666
Total Capital Assets Depreciated, Net	\$ 9,731,428	\$ (599,519)	\$ 0	\$ 9,131,909
Governmental Activities Capital Assets, Net	\$ 10,046,167	\$ (599,519)	\$ (57,168)	\$ 9,389,480

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

Governmental Activities:

Instruction	\$ 385,630
Support Services	308,469
Operation of Non-instructional Services	<u>33,658</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 727,757</u>

C. Construction Commitments

At June 30, 2023, the county had uncompleted construction contracts of approximately \$71,705 for the construction of a food bank. Funding for these future expenditures is expected to be paid from a capital outlay note.

At June 30, 2023, the school department had uncompleted construction contract of approximately \$559,838 for roofing projects at two schools. Funding for these future expenditures is expected to be received from federal grants.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,905
Highway/Public Works	Solid Waste/Sanitation	2,815
Discretely Presented School Department:		
General Purpose School	School Federal Projects	194,621
School Federal Projects	General Purpose School	103,415
Central Cafeteria	"	9,255

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.

The receivable in the Highway/Public Works Fund totaling \$2,815 was in transit from the Solid Waste/Sanitation Fund at June 30, 2023. Also, a portion of the receivable in General Purpose School Fund totaling \$47,861 was in transit from the School Federal Projects Fund at June 30, 2023.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

Discretely Presented Grundy County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
School Federal Projects Fund	\$ 14,414	Indirect costs

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.

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Grundy County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 38 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, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Grundy County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes were issued for original terms of up to 1 year. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included

in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds	3.5%	5-11-54	\$ 7,000,000	\$ 6,291,123
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	4.49	5-10-24	150,000	150,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2023, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 114,972	\$ 218,508	\$ 333,480
2025	119,061	214,419	333,480
2026	123,296	210,184	333,480
2027	127,681	205,799	333,480
2028	132,222	201,258	333,480
2029-2033	735,088	932,312	1,667,400
2034-2038	875,449	791,951	1,667,400
2039-2043	1,042,611	624,789	1,667,400
2044-2048	1,241,690	425,710	1,667,400
2049-2053	1,478,781	188,619	1,667,400
2054	300,272	5,417	305,689
Total	\$ 6,291,123	\$ 4,018,966	\$ 10,310,089

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2024	\$ 150,000	\$ 6,735	\$ 156,735
Total	\$ 150,000	\$ 6,735	\$ 156,735

There is \$4,296,870 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$465, based on the 2020 federal census. Total debt per capita, including bonds and notes totaled \$476, based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:			
	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance July 1, 2022	\$ 6,402,146	\$ 142,464	\$ 321,446
Additions	0	150,000	0
Reductions	(111,023)	(142,464)	(321,446)
Balance June 30, 2023	<u>\$ 6,291,123</u>	<u>\$ 150,000</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 114,972</u>	<u>\$ 150,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 6,441,123
Less: Due Within One Year - Debt	<u>(264,972)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt -Exhibit A	<u>\$ 6,176,151</u>

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

Governmental Activities:			
	Other Postemployment Benefits	Landfill Postclosure Care Costs	Compensated Absences
Balance July 1, 2022	\$ 25,706	\$ 349,487	\$ 15,782
Additions	8,170	24,705	38,267
Reductions	(14,926)	(11,070)	(34,063)
Balance June 30, 2023	<u>\$ 18,950</u>	<u>\$ 363,122</u>	<u>\$ 19,986</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 11,070</u>	<u>\$ 19,986</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 402,058
Less: Due Within One Year - Other	<u>(31,056)</u>
Noncurrent Liabilities - Other - Due in More Than One Year - Other - Exhibit A	<u>\$ 371,002</u>

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

During February 2004, Grundy County entered into a revocable contract with a private firm to provide postclosure care for the county's closed landfill. Terms of this agreement require the county to pay an annual fee of \$9,920 for postclosure care costs. The county is required to provide postclosure care for this closed landfill for the next 8 years.

Discretely Presented Grundy County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Grundy County School Department for the year ended June 30, 2023, was as follows:

Governmental Activities:	<u>Other Postemployment Benefits</u>
Balance July 1, 2022	\$ 1,767,992
Additions	144,580
Reductions	<u>(326,744)</u>
Balance June 30, 2023	<u>\$ 1,585,828</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 1,585,828
Less: Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,585,828</u>

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

G. On-Behalf Payments

Discretely Presented Grundy County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Grundy County School Department. These payments are made by the state to the Local Education Group Insurance. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$47,726. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Grundy County is exposed to various risks related to general liability, property, casualty, and workers' compensation. Grundy County is a member of the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums to the pools for general liability, property, casualty losses, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

Grundy County participates in the Local Government Workers' Compensation Fund (LWCF), a public entity risk pool established under provisions of Section 29-20-401, *Tennessee Code Annotated*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LWCF for its workers' compensation insurance coverage. The LWCF is to be self-sustaining through member premiums. The LWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

Grundy County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial

Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Grundy County School Department

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

The discretely presented Grundy County School Department is exposed to various risks related to general liability, property, casualty, and workers' compensation. The county continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, workers' compensation, and environmental. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Accounting Changes

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

C. Contingent Liabilities

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

The county is involved in other pending lawsuits. Attorneys for the county and the school department do not believe that claims resulting from such litigation not covered by insurance would materially affect the county's financial statements.

D. Change in Administration

On August 31, 2022, Clint Shrum left the Office of Sheriff and was succeeded by Heath Gunter.

E. Landfill Postclosure Care Costs

Grundy County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Although the Grundy County landfill closed in 2001, the county has contracted with a private company for its waste disposal. The Solid Waste/Sanitation Fund (special revenue fund) reports postclosure care costs as expenditures in each period in which they are incurred. The \$363,122 reported as landfill postclosure care cost liability at June 30, 2023, represents the net amount reported to date based on 100 percent use of the estimated capacity of the landfill. The county maintains a revocable contract with a private firm for postclosure care costs on the closed landfill. The county is required to monitor the closed landfill for the next 8

years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District and the municipalities within the district. The district includes Grundy, Franklin, Marion, Rhea, and Sequatchie counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors including the district attorney general and the sheriffs and police chiefs of the participating law enforcement agencies within each judicial district. Grundy County made no contributions to the DTF for the year ended June 30, 2023, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

District Attorney General
Twelfth Judicial District
375 Church Street, Suite 300
Dayton, TN 37321

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Grundy County and non-certified employees of the discretely presented Grundy County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.43 percent and the non-certified employees of the discretely presented school department comprise 37.57 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government,

administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustments (COLAs) 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	147
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	215
Active Employees	194
Total	556

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of

salary to the plan. Grundy 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, 2023, the employer contribution for Grundy County was \$326,871 based on a rate of 6 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Grundy 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)

Grundy County's net pension liability (asset) was measured as of June 30, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 Grundy 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)

	Liability (a)	Net Position (b)	(Asset) (a)-(b)
Balance, July 1, 2021	\$ 21,795,344	\$ 25,377,787	\$ (3,582,443)
Changes for the Year:			
Service Cost	\$ 595,721	\$ 0	\$ 595,721
Interest	1,473,328	0	1,473,328
Differences Between Expected and Actual Experience	410,188	0	410,188
Contributions-Employer	0	353,842	(353,842)
Contributions-Employees	0	294,870	(294,870)
Net Investment Income	0	(961,335)	961,335
Benefit Payments, Including Refunds of Employee Contributions	(1,127,955)	(1,127,955)	0
Administrative Expense	0	(18,622)	18,622
Net Changes	\$ 1,351,282	\$ (1,459,200)	\$ 2,810,482
Balance, June 30, 2022	\$ 23,146,626	\$ 23,918,587	\$ (771,961)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	62.43% \$ 14,450,439	\$ 14,932,374	\$ (481,935)
School Department	37.57% 8,696,187	8,986,213	(290,026)
Total	\$ 23,146,626	\$ 23,918,587	\$ (771,961)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Grundy County calculated using the discount rate of 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Grundy County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 2,118,155 \$ (771,961) \$ (3,179,475)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, Grundy County recognized pension expense (negative pension expense) of \$258,897.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, Grundy County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 336,225	\$ 193,516
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	33,074	0
Changes in Assumptions	584,650	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	326,871	N/A
Total	<u>\$ 1,280,820</u>	<u>\$ 193,516</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 805,208	\$ 120,812
School Department	475,612	72,704
Total	<u>\$ 1,280,820</u>	<u>\$ 193,516</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
2024	\$ 185,951
2025	164,792
2026	(121,812)
2027	531,507
2028	0
Thereafter	0

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

Discretely Presented Grundy County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Grundy County and non-certified employees of the discretely presented Grundy County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.43 percent and the non-certified employees of the discretely presented school department comprise 37.57 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustments (COLAs) 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 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 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, 2023, to the Teacher Retirement Plan were \$64,575 which is 2.87 percent of covered payroll. In addition, employer contributions of \$23,306, which is 1.13 percent 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, 2023, the school department reported a liability (asset) of (\$37,468) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .123687 percent. The proportion as of June 30, 2021, was .137644 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the Grundy County School Department recognized pension expense (negative pension expense) of \$53,885.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 2,049	\$ 22,764
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11,810	0
Changes in Assumptions	43,892	0
Changes in Proportion of Net Pension Liability (Asset)	19,727	9,280
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>64,575</u>	<u>N/A</u>
Total	<u>\$ 142,053</u>	<u>\$ 32,044</u>

The school department's employer contributions of \$64,575, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension (liability) asset in the year ending June 30, 2023. 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
2024	\$ 1,793
2025	1,913
2026	(28)
2027	20,543
2028	3,103
Thereafter	18,111

Actuarial Assumptions. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 196,684 \$ (37,468) \$ (208,471)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Grundy County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$510,085, which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$2,268,524) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .184973 percent. The proportion measured at June 30, 2021, was .191859 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$64,848.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 373,164	\$ 383,312
Changes in Assumptions	1,421,121	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	38,791	0
Changes in Proportion of Net Pension Liability (Asset)	118,419	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	510,085	N/A
Total	<u>\$ 2,461,580</u>	<u>\$ 383,312</u>

The school department's employer contributions of \$510,085 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 275,203
2025	462,079
2026	(366,425)
2027	1,197,325
2028	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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 net pension liability (asset) of Grundy County School Department calculated using the discount rate of 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 4,493,165 \$ (2,268,524) \$ (7,900,563)

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

2. Deferred Compensation

The Grundy County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 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 \$159,658 and teachers contributed \$38,118 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Grundy County (with the exception of the Grundy County Highway Department) and the discretely presented Grundy County School Department provide OPEB benefits to its retirees under the 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 State Administered Public Entity Risk Pools

Retirees of Grundy County (with the exception of the Grundy County Highway Department) are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Certified and noncertified employees of the school department may then join the Tennessee Plan - Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide premium support for teachers in the TNM plan.

The county's and the school department's total OPEB liability for each plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022, 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	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.54 percent, based on an average rating of AA/Aa as shown on 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1,

2021, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. 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 PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2020 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. 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 2022 plan year was revised from 7.36 percent to 8.37 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Grundy County (with the exception of the Grundy County Highway Department) are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits Provided. Grundy County (with the exception of the Grundy County Highway Department) offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Grundy

County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

	<u>Total</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	59
 Total	 <u><u>59</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2023, the county paid \$683 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	<u>Grundy County</u>
Balance July 1, 2021	\$ 25,706
Changes for the Year:	
Service Cost	7,460
Interest	710
Difference between Expected and Actuarial Experience	(5,846)
Changes in Assumption and Other Inputs	(8,523)
Benefit Payments	(557)
Net Changes	<u>\$ (6,756)</u>
 Balance June 30, 2022	 <u><u>\$ 18,950</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized OPEB expense of \$3,884. At June 30, 2023, the department reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 12,692
Changes of Assumptions and Other Inputs	0	12,706
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2022	<u>683</u>	<u>0</u>
Total	<u>\$ 683</u>	<u>\$ 25,398</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

Amounts reported as 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	Grundy County
2024	\$ (4,286)
2025	(4,286)
2026	(4,286)
2027	(4,286)
2028	(4,289)
Thereafter	(3,968)

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>	Current		
	1% Decrease	Discount Rate	1% Increase
<u>Grundy County</u>	<u>2.54%</u>	<u>3.54%</u>	<u>4.54%</u>
Total OPEB Liability	\$ 20,299	\$ 18,950	\$ 17,701

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

<u>Healthcare Cost Trend Rate</u>	Current		
	1% Decrease	Trend Rate	1% Increase
<u>Grundy County</u>	<u>7.37 to 3.5%</u>	<u>8.37 to 4.5%</u>	<u>9.37 to 5.5%</u>
Total OPEB Liability	\$ 16,665	\$ 18,950	\$ 21,668

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

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

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

department does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees and Beneficiaries Currently Receiving Benefits	10
Inactive Employees Entitled to but Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>171</u>
Total	<u><u>181</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$73,045 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	<u>Share of Collective Liability</u>		
	Grundy County School Department 62.11%	State of TN 37.89%	Total OPEB Liability
Balance July 1, 2021	\$ 1,767,992	\$ 998,437	\$ 2,766,429
Changes for the Year:			
Service Cost	\$ 105,968	\$ 64,646	\$ 170,614
Interest	38,612	23,555	62,167
Difference between Expected and Actuarial Experience	(51,200)	(31,235)	(82,435)
Changes in Assumption and Other Inputs	(152,084)	(92,779)	(244,863)
Change in Proportion	(49,855)	49,855	0
Benefit Payments	(73,605)	(44,903)	(118,508)
Net Changes	<u>\$ (182,164)</u>	<u>\$ (30,861)</u>	<u>\$ (213,025)</u>
Balance June 30, 2022	<u>\$ 1,585,828</u>	<u>\$ 967,576</u>	<u>\$ 2,553,404</u>

The Grundy County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Grundy County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. The school department recognized \$85,928 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Grundy County School Department's proportionate share of the collective OPEB liability was 62.11 percent and the State of Tennessee's share was 37.89 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$206,837 including the state's share of the expense. At June 30, 2023, 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	\$ 14,679	\$ 218,690
Changes of Assumptions/Inputs	331,826	218,741
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	35,913	87,932
Benefits Paid After the Measurement Date of June 30, 2022	<u>73,045</u>	<u>0</u>
Total	<u>\$ 455,463</u>	<u>\$ 525,363</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to 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
2024	\$ (23,663)
2025	(23,663)
2026	(23,663)
2027	(23,663)
2028	(17,824)
Thereafter	(30,469)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.54%	3.54%	4.54%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,695,076	\$ 1,585,828	\$ 1,481,174
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,428,259	\$ 1,585,828	\$ 1,768,301
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I. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Highway Superintendent

Purchasing procedures for the highway department are governed by provisions of Chapter 435, Private Acts of 1939, and the Uniform Road Law, Section 54-7-113, *TCA*, which provide for purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the school department are governed by purchasing laws applicable to the 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 the 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 \$25,000.

J. Subsequent Events

On November 15, 2023, Grundy County issued capital outlay notes totaling \$160,000 for the purchase of trash containers and to complete the food bank.

On October 30, 2023, Grundy County issued capital outlay notes totaling \$245,000 for the purchase of land to be used as a park.

On February 15, 2024, the sheriff made a deposit to the office bank account of \$150 from personal funds to liquidate the cash shortage reflected in the financial statements at June 30, 2023.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 323,260	\$ 334,316	\$ 329,090	\$ 339,718	\$ 360,946	\$ 367,269	\$ 461,038	\$ 501,629	\$ 595,721
Interest	1,109,654	1,141,657	1,196,624	1,240,546	1,270,121	1,330,589	1,390,025	1,457,823	1,473,328
Differences Between Actual and Expected Experience	(254,053)	96,714	(110,982)	(119,561)	153,117	55,738	114,339	(387,034)	410,188
Changes in Assumptions	0	0	0	366,384	0	0	0	1,169,300	0
Benefit Payments, Including Refunds of Employee Contributions	(690,937)	(835,488)	(833,633)	(845,847)	(894,179)	(1,018,746)	(1,036,376)	(1,105,309)	(1,127,955)
Net Change in Total Pension Liability	\$ 487,924	\$ 737,199	\$ 581,099	\$ 981,240	\$ 890,005	\$ 734,850	\$ 929,026	\$ 1,636,409	\$ 1,351,282
Total Pension Liability, Beginning	14,817,592	15,305,516	16,042,715	16,623,814	17,605,054	18,495,059	19,229,909	20,158,935	21,795,344
Total Pension Liability, Ending (a)	\$ 15,305,516	\$ 16,042,715	\$ 16,623,814	\$ 17,605,054	\$ 18,495,059	\$ 19,229,909	\$ 20,158,935	\$ 21,795,344	\$ 23,146,626
Plan Fiduciary Net Position									
Contributions - Employer	\$ 380,039	\$ 314,675	\$ 326,496	\$ 328,222	\$ 350,117	\$ 286,676	\$ 322,991	\$ 333,328	\$ 353,842
Contributions - Employee	181,333	181,758	190,920	195,309	203,458	249,952	269,161	277,774	294,870
Net Investment Income	2,327,596	496,295	431,616	1,856,210	1,484,969	1,410,825	985,971	5,256,676	(961,335)
Benefit Payments, Including Refunds of Employee Contributions	(690,937)	(835,488)	(833,633)	(845,847)	(894,179)	(1,018,746)	(1,036,376)	(1,105,309)	(1,127,955)
Administrative Expense	(7,074)	(9,024)	(12,738)	(14,016)	(15,297)	(16,742)	(17,428)	(17,902)	(18,622)
Net Change in Plan Fiduciary Net Position	\$ 2,190,957	\$ 148,216	\$ 102,661	\$ 1,519,878	\$ 1,129,068	\$ 911,965	\$ 524,319	\$ 4,744,567	\$ (1,459,200)
Plan Fiduciary Net Position, Beginning	14,106,156	16,297,113	16,445,329	16,547,990	18,067,868	19,196,936	20,108,901	20,633,220	25,377,787
Plan Fiduciary Net Position, Ending (b)	\$ 16,297,113	\$ 16,445,329	\$ 16,547,990	\$ 18,067,868	\$ 19,196,936	\$ 20,108,901	\$ 20,633,220	\$ 25,377,787	\$ 23,918,587
Net Pension Liability (Asset), Ending (a - b)	\$ (991,597)	\$ (402,614)	\$ 75,824	\$ (462,814)	\$ (701,877)	\$ (878,992)	\$ (474,285)	\$ (3,582,443)	\$ (771,961)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.48%	102.51%	99.54%	102.63%	103.79%	104.57%	102.35%	116.44%	103.34%
Covered Payroll	\$ 3,622,870	\$ 3,555,651	\$ 3,685,774	\$ 3,793,168	\$ 3,956,128	\$ 4,777,936	\$ 5,383,198	\$ 5,565,362	\$ 5,897,357
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(27.37)%	(11.32)%	2.06%	(12.20)%	(17.74)%	(18.40)%	(8.81)%	(64.37)%	(13.09)%

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

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 380,039	\$ 314,675	\$ 326,496	\$ 189,279	\$ 176,839	\$ 216,918	\$ 239,552	\$ 247,219	\$ 262,433	\$ 326,871
Less: Contributions in Relation to the Actuarially Determined Contribution	(380,039)	(314,675)	(326,496)	(328,222)	(350,117)	(286,676)	(322,991)	(333,328)	(353,842)	(326,871)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (138,943)	\$ (173,278)	\$ (69,758)	\$ (83,439)	\$ (86,109)	\$ (91,409)	\$ 0
Covered Payroll	\$ 3,622,870	\$ 3,555,651	\$ 3,685,774	\$ 3,793,168	\$ 3,956,128	\$ 4,777,936	\$ 5,383,198	\$ 5,565,362	\$ 5,897,357	\$ 5,447,830
Contributions as a Percentage of Covered Payroll	10.49%	8.85%	8.86%	8.65%	8.85%	6.00%	6.00%	5.99%	6.00%	6.00%

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 12,151	\$ 20,724	\$ 34,594	\$ 50,584	\$ 33,755	\$ 39,542	\$ 40,127	\$ 42,455	\$ 64,575
Less: Contributions in Relation to the Contractually Required Contribution	(12,151)	(20,724)	(34,594)	(50,584)	(33,755)	(39,542)	(40,127)	(42,455)	(64,575)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 303,782	\$ 518,094	\$ 834,864	\$ 1,264,592	\$ 1,739,905	\$ 1,947,890	\$ 1,986,477	\$ 2,112,181	\$ 2,249,957
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.14%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

2023: Pension - 2.87%, SRT - 1.13%

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 793,730	\$ 760,113	\$ 752,024	\$ 718,426	\$ 701,645	\$ 738,186	\$ 701,060	\$ 646,717	\$ 626,998	\$ 510,085
Less: Contributions in Relation to the Contractually Required Contribution	(793,730)	(760,113)	(752,024)	(718,426)	(701,645)	(738,186)	(701,060)	(646,717)	(626,998)	(510,085)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 8,938,401	\$ 8,408,339	\$ 8,318,882	\$ 7,980,068	\$ 7,727,353	\$ 7,057,218	\$ 6,595,107	\$ 6,299,777	\$ 6,087,363	\$ 5,869,786
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.00%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.143189%	0.117748%	0.131768%	0.144710%	0.164423%	0.154359%	0.137644%	0.123687%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,882)	\$ (12,258)	\$ (34,764)	\$ (65,630)	\$ (92,815)	\$ (87,775)	\$ (149,098)	\$ (37,468)
Covered Payroll	\$ 303,782	\$ 518,094	\$ 834,864	\$ 1,264,592	\$ 1,739,905	\$ 1,947,890	\$ 1,986,477	\$ 2,112,181
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.16)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.227730%	0.224611%	0.230452%	0.224818%	0.220677%	0.210466%	0.198155%	0.191859%	0.184973%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (37,005)	\$ 92,009	\$ 1,440,197	\$ (73,558)	\$ (776,542)	\$ (2,163,969)	\$ (1,511,077)	\$ (8,275,355)	\$ (2,268,524)
Covered Payroll	\$ 8,938,401	\$ 8,408,339	\$ 8,318,882	\$ 7,980,068	\$ 7,727,353	\$ 7,057,218	\$ 6,595,107	\$ 6,299,777	\$ 6,087,363
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.92)%	(10.05)%	(30.66)%	(22.91)%	(131.36)%	(37.27)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

Exhibit F-7

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

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 381	\$ 340	\$ 0	\$ 0	\$ 10,175	\$ 7,460
Interest	296	366	0	0	943	710
Differences Between Actual and Expected Experience	0	0	0	0	(10,325)	(5,846)
Changes in Assumptions or Other Inputs	(497)	(10,643)	0	0	(7,249)	(8,523)
Benefit Payments	0	0	0	0	(677)	(557)
Change of Benefit Terms	0	0	0	32,839	0	0
Net Change in Total OPEB Liability	\$ 180	\$ (9,937)	\$ 0	\$ 32,839	\$ (7,133)	\$ (6,756)
Total OPEB Liability, Beginning	9,757	9,937	0	0	32,839	25,706
Total OPEB Liability, Ending	\$ 9,937	\$ 0	\$ 0	\$ 32,839	\$ 25,706	\$ 18,950
Covered Employee Payroll	\$ 79,219	\$ 0	\$ 0	\$ 2,669,790	\$ 3,125,055	\$ 3,177,265
Net OPEB Liability as a percentage of Covered Employee Payroll	15.54%	0.00%	0.00%	1.23%	0.82%	0.60%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

(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%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%

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

Note 4: The county had a private OPEB plan for the 2017 and 2018 years. They did not offer OPEB during the 2019 year. The county switched to the state health insurance plan for the 2020 year.

Exhibit F-8

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

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 128,975	\$ 119,259	\$ 111,415	\$ 101,723	\$ 126,764	\$ 170,614
Interest	74,577	88,223	80,807	75,461	53,694	62,167
Differences Between Actual and Expected Experience	0	(348,230)	41,995	(29,075)	(114,257)	(82,435)
Changes in Assumptions or Other Inputs	(105,493)	60,377	(170,618)	238,989	467,461	(244,863)
Benefit Payments	(158,759)	(169,610)	(147,098)	(125,194)	(139,367)	(118,508)
Net Change in Total OPEB Liability	\$ (60,700)	\$ (249,981)	\$ (83,499)	\$ 261,904	\$ 394,295	\$ (213,025)
Total OPEB Liability, Beginning	2,504,410	2,443,710	2,193,729	2,110,230	2,372,134	2,766,429
Total OPEB Liability, Ending	\$ 2,443,710	\$ 2,193,729	\$ 2,110,230	\$ 2,372,134	\$ 2,766,429	\$ 2,553,404
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 879,347	\$ 775,525	\$ 775,930	\$ 823,315	\$ 998,437	\$ 967,576
Employer Proportionate Share of the Total OPEB Liability	1,564,363	1,418,204	1,334,300	1,548,819	1,767,992	1,585,828
Covered Employee Payroll	\$ 11,144,289	\$ 10,760,925	\$ 10,692,292	\$ 10,624,158	\$ 10,415,343	\$ 10,073,279
Net OPEB Liability as a Percentage of Covered Employee Payroll	21.93%	20.39%	19.74%	22.33%	26.56%	25.35%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

(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%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%

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

GRUNDY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2023 were calculated based on the July 1, 2021, 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	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, 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 Adjustments	2.125%

Changes of Assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for lease/rental revenues on county industrial buildings and state/federal grants related to industrial/economic development.

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.

Capital Projects Fund

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

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

Exhibit G-1

Grundy County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 600	\$ 600
Equity in Pooled Cash and Investments	120,529	220,550	116,906	0	457,985
Accounts Receivable	0	0	0	1,305	1,305
Total Assets	<u>\$ 120,529</u>	<u>\$ 220,550</u>	<u>\$ 116,906</u>	<u>\$ 1,905</u>	<u>\$ 459,890</u>
<u>LIABILITIES</u>					
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 1,905	\$ 1,905
Due to Litigants, Heirs, and Others	0	0	22,710	0	22,710
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,710</u>	<u>\$ 1,905</u>	<u>\$ 24,615</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 120,529	\$ 220,550	\$ 0	\$ 0	\$ 341,079
Restricted for Public Safety	0	0	94,196	0	94,196
Total Fund Balances	<u>\$ 120,529</u>	<u>\$ 220,550</u>	<u>\$ 94,196</u>	<u>\$ 0</u>	<u>\$ 435,275</u>
Total Liabilities and Fund Balances	<u>\$ 120,529</u>	<u>\$ 220,550</u>	<u>\$ 116,906</u>	<u>\$ 1,905</u>	<u>\$ 459,890</u>

Exhibit G-2

Grundy County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees		
<u>Revenues</u>						
Local Taxes	\$ 21,473	\$ 0	\$ 0	\$ 0	\$ 0	21,473
Fines, Forfeitures, and Penalties	0	0	21,276	0	0	21,276
Charges for Current Services	0	0	0	213	0	213
Other Local Revenues	0	73,196	0	0	0	73,196
Federal Government	0	0	0	0	0	0
Total Revenues	\$ 21,473	\$ 73,196	\$ 21,276	\$ 213	\$ 0	116,158
<u>Expenditures</u>						
Current:						
General Government	\$ 28,512	\$ 0	\$ 0	\$ 0	\$ 0	28,512
Public Safety	0	0	30,835	213	0	31,048
Other Operations	215	48,025	0	0	0	48,240
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 28,727	\$ 48,025	\$ 30,835	\$ 213	\$ 0	107,800
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,254)	\$ 25,171	\$ (9,559)	\$ 0	\$ 0	8,358
Net Change in Fund Balances	\$ (7,254)	\$ 25,171	\$ (9,559)	\$ 0	\$ 0	8,358
Fund Balance, July 1, 2022	127,783	195,379	103,755	0	0	426,917
Fund Balance, June 30, 2023	\$ 120,529	\$ 220,550	\$ 94,196	\$ 0	\$ 0	435,275

(Continued)

Exhibit G-2

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

	<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
<hr/>		
<u>Revenues</u>		
Local Taxes	\$ 0	\$ 21,473
Fines, Forfeitures, and Penalties	0	21,276
Charges for Current Services	0	213
Other Local Revenues	74,239	147,435
Federal Government	20,633	20,633
Total Revenues	<u>\$ 94,872</u>	<u>\$ 211,030</u>
<u>Expenditures</u>		
Current:		
General Government	\$ 0	\$ 28,512
Public Safety	0	31,048
Other Operations	0	48,240
Capital Projects	20,633	20,633
Total Expenditures	<u>\$ 20,633</u>	<u>\$ 128,433</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 74,239</u>	<u>\$ 82,597</u>
Net Change in Fund Balances	\$ 74,239	\$ 82,597
Fund Balance, July 1, 2022	<u>(74,239)</u>	<u>352,678</u>
Fund Balance, June 30, 2023	<u>\$ 0</u>	<u>\$ 435,275</u>

Exhibit G-3

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 21,473	\$ 25,000	\$ 25,000	\$ (3,527)
Total Revenues	\$ 21,473	\$ 25,000	\$ 25,000	\$ (3,527)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 28,512	\$ 38,000	\$ 37,500	\$ 8,988
<u>Other Operations</u>				
Other Charges	215	500	500	285
Total Expenditures	\$ 28,727	\$ 38,500	\$ 38,000	\$ 9,273
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,254)	\$ (13,500)	\$ (13,000)	\$ 5,746
Net Change in Fund Balance	\$ (7,254)	\$ (13,500)	\$ (13,000)	\$ 5,746
Fund Balance, July 1, 2022	127,783	127,138	127,138	645
Fund Balance, June 30, 2023	\$ 120,529	\$ 113,638	\$ 114,138	\$ 6,391

Exhibit G-4

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 73,196	\$ 35,000	\$ 71,360	\$ 1,836
Total Revenues	\$ 73,196	\$ 35,000	\$ 71,360	\$ 1,836
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 48,025	\$ 30,000	\$ 66,360	\$ 18,335
Total Expenditures	\$ 48,025	\$ 30,000	\$ 66,360	\$ 18,335
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,171	\$ 5,000	\$ 5,000	\$ 20,171
Net Change in Fund Balance	\$ 25,171	\$ 5,000	\$ 5,000	\$ 20,171
Fund Balance, July 1, 2022	195,379	248,015	248,015	(52,636)
Fund Balance, June 30, 2023	\$ 220,550	\$ 253,015	\$ 253,015	\$ (32,465)

Exhibit G-5

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 21,276	\$ 23,800	\$ 23,800	\$ (2,524)
Total Revenues	\$ 21,276	\$ 23,800	\$ 23,800	\$ (2,524)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 30,835	\$ 4,500	\$ 35,500	\$ 4,665
Total Expenditures	\$ 30,835	\$ 4,500	\$ 35,500	\$ 4,665
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,559)	\$ 19,300	\$ (11,700)	\$ 2,141
Net Change in Fund Balance	\$ (9,559)	\$ 19,300	\$ (11,700)	\$ 2,141
Fund Balance, July 1, 2022	103,755	108,070	108,070	(4,315)
Fund Balance, June 30, 2023	\$ 94,196	\$ 127,370	\$ 96,370	\$ (2,174)

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,109,465	\$ 752,300	\$ 752,300	\$ 357,165
Other Local Revenues	392,816	130,000	130,000	262,816
Other Governments and Citizens Groups	26,445	250,000	276,445	(250,000)
Total Revenues	<u>\$ 1,528,726</u>	<u>\$ 1,132,300</u>	<u>\$ 1,158,745</u>	<u>\$ 369,981</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 253,487	\$ 253,504	\$ 253,494	\$ 7
Education	321,446	295,000	321,446	0
<u>Interest on Debt</u>				
General Government	223,808	223,853	223,863	55
Education	9,860	11,800	11,799	1,939
<u>Other Debt Service</u>				
General Government	14,532	0	16,000	1,468
Education	2,042	7,000	7,000	4,958
Total Expenditures	<u>\$ 825,175</u>	<u>\$ 791,157</u>	<u>\$ 833,602</u>	<u>\$ 8,427</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 703,551</u>	<u>\$ 341,143</u>	<u>\$ 325,143</u>	<u>\$ 378,408</u>
Net Change in Fund Balance	\$ 703,551	\$ 341,143	\$ 325,143	\$ 378,408
Fund Balance, July 1, 2022	<u>3,593,319</u>	<u>3,735,952</u>	<u>3,735,952</u>	<u>(142,633)</u>
Fund Balance, June 30, 2023	<u>\$ 4,296,870</u>	<u>\$ 4,077,095</u>	<u>\$ 4,061,095</u>	<u>\$ 235,775</u>

Custodial Funds

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

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

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

Exhibit I-1

Grundy County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2023

	<u>Custodial Funds</u>		
	<u>Cities -</u>	<u>Constitu -</u>	
	<u>Sales</u>	<u>tional</u>	
	<u>Tax</u>	<u>Officers -</u>	
		<u>Custodial</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,311,507	\$ 1,311,507
Equity in Pooled Cash and Investments	1,304	0	1,304
Due from Other Governments	216,899	0	216,899
Cash Shortage	0	150	150
Total Assets	<u>\$ 218,203</u>	<u>\$ 1,311,657</u>	<u>\$ 1,529,860</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	<u>\$ 218,203</u>	<u>\$ 0</u>	<u>\$ 218,203</u>
Total Liabilities	<u>\$ 218,203</u>	<u>\$ 0</u>	<u>\$ 218,203</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 1,311,657</u>	<u>\$ 1,311,657</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 1,311,657</u>	<u>\$ 1,311,657</u>

Exhibit I-2

Grundy County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 1,121,157	\$ 0	\$ 1,121,157
Fines/Fees and Other Collections	0	3,845,135	3,845,135
Total Additions	\$ 1,121,157	\$ 3,845,135	\$ 4,966,292
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 1,121,157	\$ 0	\$ 1,121,157
Payments to State	0	1,580,868	1,580,868
Payments to Cities, Individuals, and Others	0	1,875,199	1,875,199
Total Deductions	\$ 1,121,157	\$ 3,456,067	\$ 4,577,224
Change in Net Position	\$ 0	\$ 389,068	\$ 389,068
Net Position July 1, 2022	0	922,589	922,589
Net Position June 30, 2023	\$ 0	\$ 1,311,657	\$ 1,311,657

Grundy County School Department

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

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

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

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

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

Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for savings bond awards given to Grundy County students who win an essay contest and a spelling bee. Money for this fund was provided by a citizen.

Exhibit J-1

Grundy County, Tennessee
Statement of Activities
Discretely Presented Grundy County School Department
For the Year Ended June 30, 2023

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	\$ 9,614,768	\$ 3,011	\$ 1,458,995	\$ 0	\$ (8,152,762)
Support Services	9,039,466	40,749	4,073,811	0	(4,924,906)
Operation of Non-instructional Services	3,099,120	69,255	2,030,694	0	(999,171)
Total Governmental Activities	\$ 21,753,354	\$ 113,015	\$ 7,563,500	\$ 0	\$ (14,076,839)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,674,769
Local Option Sales Taxes					968,232
Business Tax					57,576
Grants and Contributions Not Restricted to Specific Programs					13,356,863
Unrestricted Investment Earnings					12,176
Miscellaneous					104,523
Total General Revenues					\$ 16,174,139
Change in Net Position					\$ 2,097,300
Net Position, July 1, 2022					21,738,321
Net Position, June 30, 2023					\$ 23,835,621

Exhibit J-2

Grundy County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Grundy County School Department
June 30, 2023

	Major Funds			Nonmajor	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Fund Internal School	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 462,523	\$ 462,523
Equity in Pooled Cash and Investments	7,967,777	0	1,642,512	0	9,610,289
Accounts Receivable	18,536	203	0	0	18,739
Due from Other Governments	645,476	671,771	10,929	0	1,328,176
Due from Other Funds	194,621	103,415	9,255	0	307,291
Property Taxes Receivable	1,492,917	0	0	0	1,492,917
Allowance for Uncollectible Property Taxes	(119,112)	0	0	0	(119,112)
Restricted Assets	198,841	0	0	0	198,841
Total Assets	\$ 10,399,056	\$ 775,389	\$ 1,662,696	\$ 462,523	\$ 13,299,664
<u>LIABILITIES</u>					
Accounts Payable	\$ 42,653	\$ 99,452	\$ 0	\$ 0	\$ 142,105
Payroll Deductions Payable	361,594	42,723	5,426	0	409,743
Cash Overdraft	0	284,000	0	0	284,000
Due to Other Funds	112,670	146,760	0	0	259,430
Due to State of Tennessee	0	339	0	0	339
Total Liabilities	\$ 516,917	\$ 573,274	\$ 5,426	\$ 0	\$ 1,095,617
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,289,380	\$ 0	\$ 0	\$ 0	\$ 1,289,380
Deferred Delinquent Property Taxes	80,410	0	0	0	80,410
Other Deferred/Unavailable Revenue	80,000	0	0	0	80,000
Total Deferred Inflows of Resources	\$ 1,449,790	\$ 0	\$ 0	\$ 0	\$ 1,449,790

(Continued)

Exhibit J-2

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

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 115,206	\$ 2,115	\$ 1,657,270	\$ 462,523	\$ 2,237,114
Restricted for Hybrid Retirement Stabilization Funds	198,841	0	0	0	198,841
Committed:					
Committed for Education	0	200,000	0	0	200,000
Unassigned	8,118,302	0	0	0	8,118,302
Total Fund Balances	<u>\$ 8,432,349</u>	<u>\$ 202,115</u>	<u>\$ 1,657,270</u>	<u>\$ 462,523</u>	<u>\$ 10,754,257</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,399,056</u>	<u>\$ 775,389</u>	<u>\$ 1,662,696</u>	<u>\$ 462,523</u>	<u>\$ 13,299,664</u>

Exhibit J-3

Grundy County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Grundy County School Department
June 30, 2023

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)		\$	10,754,257
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	257,571	
Add: buildings and improvements net of accumulated depreciation		8,130,502	
Add: other capital assets net of accumulated depreciation		<u>1,001,407</u>	9,389,480
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(1,585,828)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	3,079,245	
Less: deferred inflows of resources related to pensions		(488,061)	
Add: deferred outflows of resources related to OPEB		455,463	
Less: deferred inflows of resources related to OPEB		<u>(525,363)</u>	2,521,284
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	290,026	
Add: net pension asset - teacher retirement plan		37,468	
Add: net pension asset - teacher legacy pension plan		<u>2,268,524</u>	2,596,018
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>160,410</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>23,835,621</u></u>

Exhibit J-4

Grundy County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Grundy County School Department
For the Year Ended June 30, 2023

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Revenues</u>					
Local Taxes	\$ 2,702,708	\$ 0	\$ 0	\$ 0	\$ 2,702,708
Licenses and Permits	565	0	0	0	565
Charges for Current Services	3,052	0	69,255	0	72,307
Other Local Revenues	268,567	0	972	656,366	925,905
State of Tennessee	14,155,584	0	10,397	0	14,165,981
Federal Government	157,229	4,483,967	1,471,631	0	6,112,827
Total Revenues	\$ 17,287,705	\$ 4,483,967	\$ 1,552,255	\$ 656,366	\$ 23,980,293
<u>Expenditures</u>					
Current:					
Instruction	\$ 8,185,881	\$ 1,326,235	\$ 0	\$ 0	\$ 9,512,116
Support Services	5,783,077	1,006,242	0	0	6,789,319
Operation of Non-Instructional Services	757,417	54,066	1,635,806	630,668	3,077,957
Capital Outlay	125,000	2,089,875	0	0	2,214,875
Debt Service:					
Principal on Debt	26,445	0	0	0	26,445
Total Expenditures	\$ 14,877,820	\$ 4,476,418	\$ 1,635,806	\$ 630,668	\$ 21,620,712
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,409,885	\$ 7,549	\$ (83,551)	\$ 25,698	\$ 2,359,581
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 14,414	\$ 0	\$ 0	\$ 0	\$ 14,414
Transfers Out	0	(14,414)	0	0	(14,414)
Total Other Financing Sources (Uses)	\$ 14,414	\$ (14,414)	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 2,424,299	\$ (6,865)	\$ (83,551)	\$ 25,698	\$ 2,359,581
Fund Balance, July 1, 2022	6,008,050	208,980	1,740,821	436,825	8,394,676
Fund Balance, June 30, 2023	\$ 8,432,349	\$ 202,115	\$ 1,657,270	\$ 462,523	\$ 10,754,257

Exhibit J-5

Grundy County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Grundy County School Department
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 2,359,581
(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	\$ 71,070	
Less: current-year depreciation expense	<u>(727,757)</u>	(656,687)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2023	\$ 160,410	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(156,395)</u>	4,015
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the school department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on other loans to the primary government		26,445
(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 net pension asset - agent plan	\$ (1,215,317)	
Change in net pension asset - teacher retirement plan	(111,630)	
Change in net pension asset - teacher legacy pension plan	(6,006,831)	
Change in deferred outflows related to pensions	(481,946)	
Change in deferred inflows related to pensions	8,227,534	
Change in OPEB liability	182,164	
Change in deferred outflows related to OPEB	(81,373)	
Change in deferred inflows related to OPEB	<u>(148,655)</u>	<u>363,946</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,097,300</u>

Exhibit J-6

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Grundy County School Department
General Purpose School Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,702,708	\$ 0	\$ 2,702,708	\$ 2,256,920	\$ 2,256,920	\$ 445,788
Licenses and Permits	565	0	565	400	400	165
Charges for Current Services	3,052	0	3,052	0	0	3,052
Other Local Revenues	268,567	0	268,567	127,000	176,609	91,958
State of Tennessee	14,155,584	0	14,155,584	14,334,436	17,101,201	(2,945,617)
Federal Government	157,229	0	157,229	0	265,907	(108,678)
Total Revenues	\$ 17,287,705	\$ 0	\$ 17,287,705	\$ 16,718,756	\$ 19,801,037	\$ (2,513,332)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 5,450,957	\$ (92,673)	\$ 5,358,284	\$ 8,125,793	\$ 9,064,100	\$ 3,705,816
Special Education Program	2,133,909	(46,181)	2,087,728	2,283,014	2,192,114	104,386
Career and Technical Education Program	601,015	(797)	600,218	644,363	2,245,783	1,645,565
<u>Support Services</u>						
Attendance	196,622	(1,512)	195,110	177,578	177,578	(17,532)
Health Services	325,313	(196)	325,117	419,560	428,384	103,267
Other Student Support	388,386	(6,840)	381,546	433,416	460,735	79,189
Regular Instruction Program	127,431	(510)	126,921	208,963	208,964	82,043
Special Education Program	433,552	(3,572)	429,980	332,095	492,024	62,044
Career and Technical Education Program	86,481	0	86,481	90,030	90,030	3,549
Technology	109,434	(4,488)	104,946	146,063	146,063	41,117
Other Programs	47,726	0	47,726	0	47,726	0
Board of Education	281,133	(9,096)	272,037	346,173	346,173	74,136
Director of Schools	255,579	(3,147)	252,432	297,325	312,924	60,492
Office of the Principal	792,803	0	792,803	869,272	869,272	76,469
Fiscal Services	184,251	(2,506)	181,745	185,521	195,054	13,309

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Human Services/Personnel	\$ 102,580	\$ (1,295)	\$ 101,285	\$ 99,715	\$ 107,841	\$ 6,556
Operation of Plant	1,194,536	(24,844)	1,169,692	1,129,437	1,212,710	43,018
Maintenance of Plant	298,248	(72,766)	225,482	390,015	442,714	217,232
Transportation	959,002	(138,199)	820,803	1,081,724	1,195,076	374,273
<u>Operation of Non-Instructional Services</u>						
Food Service	19,379	(800)	18,579	0	19,639	1,060
Community Services	367,337	(4,615)	362,722	450,845	585,834	223,112
Early Childhood Education	370,701	(1,947)	368,754	404,915	517,273	148,519
<u>Capital Outlay</u>						
Regular Capital Outlay	125,000	(125,000)	0	100,000	100,000	100,000
<u>Principal on Debt</u>						
Education	26,445	0	26,445	158,376	158,376	131,931
<u>Interest on Debt</u>						
Education	0	0	0	250,000	250,000	250,000
Total Expenditures	<u>\$ 14,877,820</u>	<u>\$ (540,984)</u>	<u>\$ 14,336,836</u>	<u>\$ 18,624,193</u>	<u>\$ 21,866,387</u>	<u>\$ 7,529,551</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,409,885	\$ 540,984	\$ 2,950,869	\$ (1,905,437)	\$ (2,065,350)	\$ 5,016,219
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 20,000	\$ 20,000	\$ (20,000)
Transfers In	14,414	0	14,414	14,664	14,664	(250)
Total Other Financing Sources	<u>\$ 14,414</u>	<u>\$ 0</u>	<u>\$ 14,414</u>	<u>\$ 34,664</u>	<u>\$ 34,664</u>	<u>\$ (20,250)</u>
Net Change in Fund Balance	\$ 2,424,299	\$ 540,984	\$ 2,965,283	\$ (1,870,773)	\$ (2,030,686)	\$ 4,995,969
Fund Balance, July 1, 2022	<u>6,008,050</u>	<u>(540,984)</u>	<u>5,467,066</u>	<u>2,753,833</u>	<u>2,753,833</u>	<u>2,713,233</u>
Fund Balance, June 30, 2023	<u>\$ 8,432,349</u>	<u>\$ 0</u>	<u>\$ 8,432,349</u>	<u>\$ 883,060</u>	<u>\$ 723,147</u>	<u>\$ 7,709,202</u>

Exhibit J-7

Grundey County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Grundey County School Department
School Federal Projects Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 4,483,967	\$ 0	\$ 4,483,967	\$ 1,659,174	\$ 9,039,647	\$ (4,555,680)
Total Revenues	\$ 4,483,967	\$ 0	\$ 4,483,967	\$ 1,659,174	\$ 9,039,647	\$ (4,555,680)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 727,738	\$ (98)	\$ 727,640	\$ 379,922	\$ 1,682,056	\$ 954,416
Special Education Program	556,911	(21,575)	535,336	636,331	729,531	194,195
Career and Technical Education Program	41,586	(115)	41,471	34,669	44,185	2,714
<u>Support Services</u>						
Attendance	7,588	0	7,588	0	14,250	6,662
Health Services	12,180	0	12,180	0	14,647	2,467
Other Student Support	127,940	(333)	127,607	66,746	589,822	462,215
Regular Instruction Program	812,535	(964)	811,571	486,471	1,042,362	230,791
Special Education Program	17,055	(400)	16,655	13,094	71,377	54,722
Career and Technical Education Program	926	0	926	1,500	1,500	574
Transportation	28,018	0	28,018	25,777	38,026	10,008
<u>Operation of Non-Instructional Services</u>						
Food Service	0	0	0	0	500	500
Community Services	54,066	0	54,066	0	108,499	54,433
<u>Capital Outlay</u>						
Regular Capital Outlay	2,089,875	0	2,089,875	0	4,688,478	2,598,603
Total Expenditures	\$ 4,476,418	\$ (23,485)	\$ 4,452,933	\$ 1,644,510	\$ 9,025,233	\$ 4,572,300
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,549	\$ 23,485	\$ 31,034	\$ 14,664	\$ 14,414	\$ 16,620

(Continued)

Exhibit J-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (14,414)	\$ 0	\$ (14,414)	\$ (14,664)	\$ (14,414)	\$ 0
Total Other Financing Sources	\$ (14,414)	\$ 0	\$ (14,414)	\$ (14,664)	\$ (14,414)	\$ 0
Net Change in Fund Balance	\$ (6,865)	\$ 23,485	\$ 16,620	\$ 0	\$ 0	\$ 16,620
Fund Balance, July 1, 2022	208,980	(23,485)	185,495	201,715	201,715	(16,220)
Fund Balance, June 30, 2023	\$ 202,115	\$ 0	\$ 202,115	\$ 201,715	\$ 201,715	\$ 400

Exhibit J-8

Grundy County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Grundy County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 69,255	\$ 0	\$ 69,255	\$ 162,623	\$ 162,623	\$ (93,368)
Other Local Revenues	972	0	972	0	0	972
State of Tennessee	10,397	0	10,397	20,000	20,000	(9,603)
Federal Government	1,471,631	0	1,471,631	1,652,294	1,652,294	(180,663)
Total Revenues	\$ 1,552,255	\$ 0	\$ 1,552,255	\$ 1,834,917	\$ 1,834,917	\$ (282,662)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 1,635,806	\$ (109)	\$ 1,635,697	\$ 1,834,917	\$ 1,834,917	\$ 199,220
Total Expenditures	\$ 1,635,806	\$ (109)	\$ 1,635,697	\$ 1,834,917	\$ 1,834,917	\$ 199,220
Excess (Deficiency) of Revenues Over Expenditures	\$ (83,551)	\$ 109	\$ (83,442)	\$ 0	\$ 0	\$ (83,442)
Net Change in Fund Balance	\$ (83,551)	\$ 109	\$ (83,442)	\$ 0	\$ 0	\$ (83,442)
Fund Balance, July 1, 2022	1,740,821	(109)	1,740,712	1,557,585	1,557,585	183,127
Fund Balance, June 30, 2023	\$ 1,657,270	\$ 0	\$ 1,657,270	\$ 1,557,585	\$ 1,557,585	\$ 99,685

Exhibit J-9

Grundy County, Tennessee
Statement of Fiduciary Net Position
Fiduciary Fund
Discretely Presented Grundy County School Department
June 30, 2023

	<u>Private Purpose Trust Fund</u>	<u>Other Trust Fund</u>
<u>ASSETS</u>		
Current Assets:		
Cash with Trustee	\$ 22,539	
Total Assets	<u>\$ 22,539</u>	
<u>NET POSITION</u>		
Funds Held in Trust for Scholarships	<u>\$ 22,539</u>	
Total Net Position	<u><u>\$ 22,539</u></u>	

Exhibit J-10

Grundy County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Discretely Presented Grundy County School Department
For the Year Ended June 30, 2023

	Private Purpose Trust Fund	Other Trust Fund
<u>ADDITIONS</u>		
Investment Income	\$	128
Contributions and Gifts		300
Total Additions	\$	428
<u>DEDUCTIONS</u>		
Awards	\$	350
Trustee's Commission		1
Total Deductions	\$	351
Change in Net Position	\$	77
Net Position, July 1, 2022		22,462
Net Position, June 30, 2023	\$	22,539

MISCELLANEOUS SCHEDULES

Exhibit K-1

Grundy County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Other Loans
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-23
<u>GOVERNMENTAL ACTIVITIES</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Bond, Series 2014	\$ 7,000,000	3.50 %	5-22-16	5-11-54	\$ 6,402,146	\$ 0	\$ 111,023	\$ 6,291,123
Total Bonds Payable					\$ 6,402,146	\$ 0	\$ 111,023	\$ 6,291,123
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Solid Waste	425,000	0.97	9-28-20	5-5-23	\$ 142,464	\$ 0	\$ 142,464	\$ 0
Patrol Cars	150,000	4.49	5-11-23	5-10-24	0	150,000	0	150,000
Total Notes Payable					\$ 142,464	\$ 150,000	\$ 142,464	\$ 150,000
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Renovations	2,690,000	Variable	12-7-12	6-1-23	\$ 295,001	\$ 0	\$ 295,001	\$ 0
Total Payable through General Debt Service Fund					\$ 295,001	\$ 0	\$ 295,001	\$ 0
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>								
Energy Efficient Improvements	1,583,809	0	8-22-11	9-11-22	\$ 26,445	\$ 0	\$ 26,445	\$ 0
Total Contributions Due by the School Department from the General Purpose School Fund Fund to the General Debt Service Fund					\$ 26,445	\$ 0	\$ 26,445	\$ 0
Total Other Loans Payable					\$ 321,446	\$ 0	\$ 321,446	\$ 0

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 114,972	\$ 218,508	\$ 333,480
2025	119,061	214,419	333,480
2026	123,296	210,184	333,480
2027	127,681	205,799	333,480
2028	132,222	201,258	333,480
2029	136,925	196,555	333,480
2030	141,795	191,685	333,480
2031	146,838	186,642	333,480
2032	152,061	181,419	333,480
2033	157,469	176,011	333,480
2034	163,070	170,410	333,480
2035	168,870	164,610	333,480
2036	174,876	158,604	333,480
2037	181,096	152,384	333,480
2038	187,537	145,943	333,480
2039	194,207	139,273	333,480
2040	201,115	132,365	333,480
2041	208,268	125,212	333,480
2042	215,675	117,805	333,480
2043	223,346	110,134	333,480
2044	231,290	102,190	333,480
2045	239,516	93,964	333,480
2046	248,035	85,445	333,480
2047	256,857	76,623	333,480
2048	265,992	67,488	333,480
2049	275,453	58,027	333,480
2050	285,250	48,230	333,480
2051	295,395	38,085	333,480
2052	305,901	27,579	333,480
2053	316,782	16,698	333,480
2054	300,272	5,417	305,689
Total	\$ 6,291,123	\$ 4,018,966	\$ 10,310,089

Year Ending June 30	Notes		
	Principal	Interest	Total
2024	\$ 150,000	\$ 6,735	\$ 156,735
Total	\$ 150,000	\$ 6,735	\$ 156,735

Exhibit K-3

Grundy County, Tennessee
Schedule of Transfers
Discretely Presented Grundy County School Department
For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 14,414</u>
Total Transfers Discretely Presented Grundy County School Department			<u><u>\$ 14,414</u></u>

Exhibit K-5

Grundy County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2023

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 3,471,769	\$ 0	\$ 668,140	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	153,413	0	29,909	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	102,775	0	20,080	0	0	0	0
Interest and Penalty	28,107	0	5,440	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	1,344	0	259	0	0	0	0
Payments in-Lieu-of Taxes - Other	17,431	0	2,396	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	278,262	0	0	0	0	0	0
Litigation Tax - General	13,465	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	21,473	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	9,099	0	0	0	0	0	0
Business Tax	56,498	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	81,980	0	0	0	0	0	0
Total Local Taxes	\$ 4,214,143	\$ 21,473	\$ 726,224	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 499	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	33,418	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	1,472	0	0	0	0	0	0
Total Licenses and Permits	\$ 35,389	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 536	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	3,663	0	0	0	0	0
Drug Control Fines	0	0	0	0	9,858	0
Drug Court Fees	586	0	0	0	0	0
Data Entry Fee - Circuit Court	23,226	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	594	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	4,581	0	0	0	0	0
Officers Costs	8,009	0	0	0	0	0
Game and Fish Fines	158	0	0	0	0	0
Drug Control Fines	0	0	0	0	2,637	0
Drug Court Fees	1,816	0	0	0	0	0
Jail Fees	930	0	0	0	0	0
Data Entry Fee - General Sessions Court	51,667	0	0	0	0	0
<u>Juvenile Court</u>						
Officers Costs	637	0	0	0	0	0
Data Entry Fee - Juvenile Court	129	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	76	0	0	0	0	0
Data Entry Fee - Chancery Court	1,992	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	8,781	0
Total Fines, Forfeitures, and Penalties	\$ 98,600	\$ 0	\$ 0	\$ 0	\$ 21,276	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Work Release Charges for Board	\$ 10	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Service Charges	0	0	0	0	0	0	0
<u>Fees</u>							
Archives and Records Management Fee	389	0	0	0	0	0	0
Greenbelt Late Application Fee	92	0	18	0	0	0	0
Telephone Commissions	17,709	0	0	0	0	0	0
Additional Fees - Titling and Registration	14,991	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	213
Data Processing Fee - Register	6,228	0	0	0	0	0	0
Data Processing Fee - Sheriff	1,105	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,850	0	0	0	0	0	0
Data Processing Fee - County Clerk	1,554	0	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,150	0	0	0	0	0	0
Total Charges for Current Services	\$ 46,078	\$ 0	\$ 18	\$ 0	\$ 0	\$ 0	213
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals/PPP	1,824	0	65,302	36,839	0	0	0
Commissary Sales	9,725	0	0	0	0	0	0
Sale of Diesel	0	0	0	0	0	0	0
Miscellaneous Refunds	113,071	0	0	36,357	0	0	0
<u>Nonrecurring Items</u>							
Revenue from Joint Ventures	27,874	0	0	0	0	0	0
Sale of Equipment	8,100	0	0	0	0	0	0
Contributions and Gifts	13,105	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Other Local Revenues (Cont.)</u>							
<u>Other Local Revenues</u>							
Other Local Revenues	\$ 0	\$ 0	\$ 19,477	\$ 0	\$ 0	\$ 0	0
Total Other Local Revenues	\$ 173,699	\$ 0	\$ 84,779	\$ 73,196	\$ 0	\$ 0	0
<u>Fees Received From County Officials</u>							
<u>Excess Fees</u>							
Juvenile Court Clerk	\$ 4,160	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fees In-Lieu-of Salary</u>							
County Clerk	168,466	0	0	0	0	0	0
Circuit Court Clerk	29,763	0	0	0	0	0	0
General Sessions Court Clerk	51,194	0	0	0	0	0	0
Clerk and Master	59,391	0	0	0	0	0	0
Register	86,168	0	0	0	0	0	0
Sheriff	7,772	0	0	0	0	0	0
Trustee	229,679	0	0	0	0	0	0
Total Fees Received From County Officials	\$ 636,593	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 18,867	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	4,800	0	0	0	0	0	0
Safe and Drug-Free Schools and Communities	79,608	0	0	0	0	0	0
Other Public Safety Grants	251,661	0	0	0	0	0	0
<u>Public Works Grants</u>							
Litter Program	0	0	51,281	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Beer Tax	\$ 98,349	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Vehicle Certificate of Title Fees	4,344	0	0	0	0	0	0
Alcoholic Beverage Tax	47,450	0	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	84,138	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	64,547	0	0	0	0	0	0
Contracted Prisoner Boarding	244,574	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	61,312	0	0	0	0	0	0
Other State Revenues	5,155	0	0	0	0	0	0
Total State of Tennessee	\$ 979,969	\$ 0	\$ 51,281	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 114,441	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	32,040	0	0	0	0	0	0
Law Enforcement Grants	13,572	0	0	0	0	0	0
Other Federal through State	136,340	0	0	0	0	0	0
Total Federal Government	\$ 296,393	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 14,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Other</u>						
Opioid Settlement Funds - Past Remediation	\$ 75,403	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Other Governments and Citizens Groups	\$ 89,903	\$ 0	\$ 0	\$ 0	\$ 0	0
 Total	 \$ 6,570,767	 \$ 21,473	 \$ 862,302	 \$ 73,196	 \$ 21,276	 \$ 213

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 4,139,909
Trustee's Collections - Prior Year	0	48	0	183,370
Circuit Clerk/Clerk and Master Collections - Prior Years	0	849	0	123,704
Interest and Penalty	0	50	0	33,597
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	1,603
Payments in-Lieu-of Taxes - Other	0	0	0	19,827
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	1,108,518	0	1,108,518
Hotel/Motel Tax	0	0	0	278,262
Litigation Tax - General	0	0	0	13,465
Litigation Tax - Special Purpose	0	0	0	21,473
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	9,099
Business Tax	0	0	0	56,498
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	81,980
Total Local Taxes	\$ 0	\$ 1,109,465	\$ 0	\$ 6,071,305
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 499
Cable TV Franchise	0	0	0	33,418
<u>Permits</u>				
Beer Permits	0	0	0	1,472
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 35,389

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	\$ 536
Officers Costs	0	0	0	3,663
Drug Control Fines	0	0	0	9,858
Drug Court Fees	0	0	0	586
Data Entry Fee - Circuit Court	0	0	0	23,226
<u>Criminal Court</u>				
DUI Treatment Fines	0	0	0	594
<u>General Sessions Court</u>				
Fines	0	0	0	4,581
Officers Costs	0	0	0	8,009
Game and Fish Fines	0	0	0	158
Drug Control Fines	0	0	0	2,637
Drug Court Fees	0	0	0	1,816
Jail Fees	0	0	0	930
Data Entry Fee - General Sessions Court	0	0	0	51,667
<u>Juvenile Court</u>				
Officers Costs	0	0	0	637
Data Entry Fee - Juvenile Court	0	0	0	129
<u>Chancery Court</u>				
Officers Costs	0	0	0	76
Data Entry Fee - Chancery Court	0	0	0	1,992
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	8,781
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 119,876

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Work Release Charges for Board	\$ 0	\$ 0	\$ 0	\$ 10
Other General Service Charges	144,232	0	0	144,232
<u>Fees</u>				
Archives and Records Management Fee	0	0	0	389
Greenbelt Late Application Fee	0	0	0	110
Telephone Commissions	0	0	0	17,709
Additional Fees - Titling and Registration	0	0	0	14,991
Constitutional Officers' Fees and Commissions	0	0	0	213
Data Processing Fee - Register	0	0	0	6,228
Data Processing Fee - Sheriff	0	0	0	1,105
Sexual Offender Registration Fee - Sheriff	0	0	0	2,850
Data Processing Fee - County Clerk	0	0	0	1,554
Vehicle Registration Reinstatement Fees	0	0	0	1,150
Total Charges for Current Services	<u>\$ 144,232</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 190,541</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 392,816	\$ 0	\$ 392,816
Lease/Rentals/PPP	0	0	0	103,965
Commissary Sales	0	0	0	9,725
Sale of Diesel	33,651	0	0	33,651
Miscellaneous Refunds	3,716	0	74,239	227,383
<u>Nonrecurring Items</u>				
Revenue from Joint Ventures	0	0	0	27,874
Sale of Equipment	0	0	0	8,100
Contributions and Gifts	0	0	0	13,105

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Other Local Revenues (Cont.)</u>				
<u>Other Local Revenues</u>				
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 19,477
Total Other Local Revenues	\$ 37,367	\$ 392,816	\$ 74,239	\$ 836,096
<u>Fees Received From County Officials</u>				
<u>Excess Fees</u>				
Juvenile Court Clerk	\$ 0	\$ 0	\$ 0	\$ 4,160
<u>Fees In-Lieu-of Salary</u>				
County Clerk	0	0	0	168,466
Circuit Court Clerk	0	0	0	29,763
General Sessions Court Clerk	0	0	0	51,194
Clerk and Master	0	0	0	59,391
Register	0	0	0	86,168
Sheriff	0	0	0	7,772
Trustee	0	0	0	229,679
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 636,593
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 18,867
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	4,800
Safe and Drug-Free Schools and Communities	0	0	0	79,608
Other Public Safety Grants	0	0	0	251,661
<u>Public Works Grants</u>				
Litter Program	0	0	0	51,281

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 98,349
Vehicle Certificate of Title Fees	0	0	0	4,344
Alcoholic Beverage Tax	0	0	0	47,450
Opioid Settlement Funds - TN Abatement Council	0	0	0	84,138
State Revenue Sharing - Telecommunications	0	0	0	64,547
Contracted Prisoner Boarding	0	0	0	244,574
Gasoline and Motor Fuel Tax	2,210,793	0	0	2,210,793
Petroleum Special Tax	8,964	0	0	8,964
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	918,089	0	0	979,401
Other State Revenues	0	0	0	5,155
Total State of Tennessee	\$ 3,137,846	\$ 0	\$ 0	\$ 4,169,096
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$ 0	\$ 0	\$ 0	114,441
Homeland Security Grants	0	0	0	32,040
Law Enforcement Grants	0	0	0	13,572
Other Federal through State	0	0	20,633	156,973
Total Federal Government	\$ 0	\$ 0	\$ 20,633	\$ 317,026
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 26,445	\$ 0	\$ 40,945

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Other Governments and Citizens Groups (Cont.)</u>				
<u>Other</u>				
Opioid Settlement Funds - Past Remediation	\$ 0	\$ 0	\$ 0	\$ 75,403
Total Other Governments and Citizens Groups	\$ 0	\$ 26,445	\$ 0	\$ 116,348
 Total	 \$ 3,319,445	 \$ 1,528,726	 \$ 94,872	 \$ 12,492,270

Exhibit K-6

Grundy County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Grundy County School Department
 For the Year Ended June 30, 2023

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,551,280	\$ 0	\$ 0	\$ 0	\$ 1,551,280	
Trustee's Collections - Prior Year	67,497	0	0	0	67,497	
Circuit Clerk/Clerk and Master Collections - Prior Years	50,236	0	0	0	50,236	
Interest and Penalty	13,027	0	0	0	13,027	
Payments in-Lieu-of Taxes - T.V.A.	599	0	0	0	599	
Payments in-Lieu-of Taxes - Other	5,547	0	0	0	5,547	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	956,946	0	0	0	956,946	
Business Tax	57,576	0	0	0	57,576	
Total Local Taxes	<u>\$ 2,702,708</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,702,708</u>	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 565	\$ 0	\$ 0	\$ 0	565	
Total Licenses and Permits	<u>\$ 565</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>565</u>	
<u>Charges for Current Services</u>						
<u>Fees</u>						
Greenbelt Late Application Fee	\$ 41	\$ 0	\$ 0	\$ 0	41	
<u>Education Charges</u>						
Lunch Payments - Adults	0	0	15,170	0	15,170	
A la Carte Sales	0	0	54,085	0	54,085	
Receipts from Individual Schools	3,011	0	0	0	3,011	
Total Charges for Current Services	<u>\$ 3,052</u>	<u>\$ 0</u>	<u>\$ 69,255</u>	<u>\$ 0</u>	<u>72,307</u>	

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 12,054	\$ 0	\$ 122	\$ 0	\$ 12,176
Miscellaneous Refunds	183,673	0	850	0	184,523
<u>Nonrecurring Items</u>					
Contributions and Gifts	72,840	0	0	0	72,840
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	656,366	656,366
Total Other Local Revenues	<u>\$ 268,567</u>	<u>\$ 0</u>	<u>\$ 972</u>	<u>\$ 656,366</u>	<u>\$ 925,905</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 83,806	\$ 0	\$ 0	\$ 0	\$ 83,806
On-behalf Contributions for OPEB	47,726	0	0	0	47,726
<u>State Education Funds</u>					
Basic Education Program	12,463,041	0	0	0	12,463,041
Early Childhood Education	182,301	0	0	0	182,301
School Food Service	0	0	10,397	0	10,397
Other State Education Funds	679,552	0	0	0	679,552
Coordinated School Health	99,536	0	0	0	99,536
Family Resource Centers	11,584	0	0	0	11,584
Career Ladder Program	27,836	0	0	0	27,836
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	519,453	0	0	0	519,453
Safe Schools	40,749	0	0	0	40,749
Total State of Tennessee	<u>\$ 14,155,584</u>	<u>\$ 0</u>	<u>\$ 10,397</u>	<u>\$ 0</u>	<u>\$ 14,165,981</u>

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 836,927	\$ 0	\$ 836,927
USDA - Commodities	0	0	109,813	0	109,813
Breakfast	0	0	432,764	0	432,764
USDA - Other	0	0	92,127	0	92,127
Vocational Education - Basic Grants to States	0	46,514	0	0	46,514
Title I Grants to Local Education Agencies	0	798,736	0	0	798,736
Special Education - Grants to States	0	544,121	0	0	544,121
Special Education Preschool Grants	0	23,934	0	0	23,934
Safe and Drug-free Schools - State Grants	0	86	0	0	86
Rural Education	0	79,193	0	0	79,193
21st Century Community Learning Centers	0	54,066	0	0	54,066
Eisenhower Professional Development State Grants	0	27,265	0	0	27,265
COVID-19 Grant B	0	1,538,046	0	0	1,538,046
COVID-19 Grant D	0	40,000	0	0	40,000
American Rescue Plan Act Grant #1	0	1,290,803	0	0	1,290,803
American Rescue Plan Act Grant #2	0	22,496	0	0	22,496
American Rescue Plan Act Grant #4	0	10,787	0	0	10,787
Other Federal through State	157,229	7,920	0	0	165,149
Total Federal Government	\$ 157,229	\$ 4,483,967	\$ 1,471,631	\$ 0	\$ 6,112,827
Total	\$ 17,287,705	\$ 4,483,967	\$ 1,552,255	\$ 656,366	\$ 23,980,293

Exhibit K-7

Grundy County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	60,900	
Social Security		3,776	
Employer Medicare		883	
Audit Services		5,682	
Data Processing Services		12,227	
Dues and Memberships		1,350	
Printing, Stationery, and Forms		1,735	
Other Contracted Services		24,684	
Other Charges		2,137	
Total County Commission			\$ 113,374

Board of Equalization

Board and Committee Members Fees	\$	2,000	
Total Board of Equalization			2,000

Beer Board

Other Charges	\$	394	
Total Beer Board			394

County Mayor/Executive

County Official/Administrative Officer	\$	95,168	
Assistant(s)		47,000	
Clerical Personnel		45,283	
Social Security		11,622	
Unemployment Compensation		90	
Employer Medicare		2,718	
Communication		9,821	
Data Processing Services		23,902	
Dues and Memberships		1,350	
Maintenance and Repair Services - Vehicles		3,721	
Postal Charges		1,569	
Printing, Stationery, and Forms		140	
Travel		2,149	
Other Contracted Services		10,000	
Office Supplies		5,031	
Other Charges		981	
Motor Vehicles		43,789	
Total County Mayor/Executive			304,334

County Attorney

Legal Services	\$	25,200	
Total County Attorney			25,200

Election Commission

County Official/Administrative Officer	\$	74,156	
Clerical Personnel		32,431	
Board and Committee Members Fees		11,700	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Election Workers	\$	27,142	
In-service Training		2,345	
Social Security		7,230	
Unemployment Compensation		97	
Employer Medicare		1,695	
Communication		4,632	
Data Processing Services		22,052	
Legal Notices, Recording, and Court Costs		15,389	
Maintenance and Repair Services - Equipment		12,000	
Postal Charges		2,114	
Printing, Stationery, and Forms		2,639	
Rentals		3,600	
Travel		10,473	
Office Supplies		1,337	
Office Equipment		4,031	
Total Election Commission			\$ 235,063

Register of Deeds

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		30,047	
Part-time Personnel		3,498	
Bonus Payments		5,000	
Social Security		7,498	
Unemployment Compensation		63	
Employer Medicare		1,754	
Communication		592	
Data Processing Services		6,037	
Dues and Memberships		2,030	
Postal Charges		328	
Travel		840	
Office Supplies		211	
Total Register of Deeds			140,294

County Buildings

Laborers	\$	69,622	
Custodial Personnel		22,894	
Social Security		5,736	
Unemployment Compensation		210	
Employer Medicare		1,341	
Communication		4,542	
Maintenance and Repair Services - Buildings		91,705	
Other Contracted Services		24,908	
Custodial Supplies		10,133	
Duplicating Supplies		16,769	
Electricity		40,615	
Natural Gas		20,015	
Water and Sewer		10,536	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Supplies and Materials	\$	6,377	
Building Construction		12,042	
Motor Vehicles		16,920	
Office Equipment		9,180	
Total County Buildings			\$ 363,545

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	82,396	
Assessment Personnel		31,440	
Secretary(ies)		31,200	
Part-time Personnel		25,632	
Social Security		10,581	
Unemployment Compensation		179	
Employer Medicare		2,475	
Audit Services		1,650	
Communication		3,003	
Data Processing Services		5,720	
Dues and Memberships		1,350	
Postal Charges		511	
Printing, Stationery, and Forms		1,658	
Travel		8,231	
Office Supplies		891	
Total Property Assessor's Office			206,917

County Trustee's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		55,118	
Part-time Personnel		2,000	
Social Security		8,650	
Unemployment Compensation		84	
Employer Medicare		2,023	
Communication		1,765	
Data Processing Services		15,975	
Dues and Memberships		1,840	
Postal Charges		1,153	
Printing, Stationery, and Forms		570	
Travel		2,119	
Other Contracted Services		9,192	
Office Supplies		3,565	
Total County Trustee's Office			186,450

County Clerk's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		89,980	
Part-time Personnel		4,187	
Social Security		10,947	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Unemployment Compensation	\$	186	
Employer Medicare		2,560	
Communication		2,877	
Data Processing Services		26,803	
Dues and Memberships		887	
Postal Charges		8,816	
Travel		1,641	
Office Supplies		8,193	
Total County Clerk's Office			\$ 239,473

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		86,042	
Jury and Witness Expense		1,623	
Social Security		10,443	
Unemployment Compensation		231	
Employer Medicare		2,442	
Communication		3,649	
Data Processing Services		20,410	
Dues and Memberships		900	
Postal Charges		769	
Printing, Stationery, and Forms		1,900	
Office Supplies		4,937	
Other Charges		780	
Total Circuit Court			216,522

General Sessions Judge

Judge(s)	\$	106,897	
Youth Service Officer(s)		40,000	
Part-time Personnel		16,710	
Social Security		10,144	
Unemployment Compensation		42	
Employer Medicare		2,372	
Communication		3,213	
Office Supplies		311	
In Service/Staff Development		909	
Total General Sessions Judge			180,598

Chancery Court

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		30,047	
Part-time Personnel		6,000	
Social Security		7,344	
Unemployment Compensation		53	
Employer Medicare		1,717	
Communication		572	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Data Processing Services	\$	13,281	
Dues and Memberships		1,325	
Postal Charges		1,116	
Travel		370	
Office Supplies		3,350	
Total Chancery Court			\$ 147,571

Juvenile Court

Part-time Personnel	\$	11,188	
Social Security		693	
Unemployment Compensation		42	
Employer Medicare		162	
Communication		2,975	
Postal Charges		378	
Rentals		4,500	
Travel		802	
Office Supplies		4,225	
Other Charges		2,515	
Total Juvenile Court			27,480

Other Administration of Justice

Contracts with Government Agencies	\$	26,592	
Total Other Administration of Justice			26,592

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	90,636	
Deputy(ies)		711,267	
School Resource Officer		20,536	
In-service Training		4,800	
Social Security		51,289	
Unemployment Compensation		1,656	
Employer Medicare		11,995	
Communication		3,408	
Dues and Memberships		1,702	
Maintenance and Repair Services - Vehicles		32,589	
Postal Charges		492	
Printing, Stationery, and Forms		253	
Towing Services		2,225	
Travel		2,543	
Other Contracted Services		8,206	
Gasoline		115,306	
Law Enforcement Supplies		2,100	
Office Supplies		11,689	
Tires and Tubes		8,320	
Uniforms		6,698	
Liability Insurance		72,476	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Vehicle and Equipment Insurance	\$	38,715	
Workers' Compensation Insurance		67,384	
In Service/Staff Development		7,122	
Other Charges		8,635	
Motor Vehicles		99	
Total Sheriff's Department			\$ 1,282,141

Jail

Accountants/Bookkeepers	\$	33,656	
Guards		647,227	
Cafeteria Personnel		28,978	
Social Security		44,011	
Unemployment Compensation		1,854	
Employer Medicare		10,293	
Communication		17,741	
Data Processing Services		4,229	
Maintenance Agreements		12,000	
Medical and Dental Services		206,141	
Other Contracted Services		17,080	
Custodial Supplies		8,873	
Electricity		55,357	
Food Supplies		135,252	
Law Enforcement Supplies		1,355	
Natural Gas		24,735	
Office Supplies		5,612	
Prisoners Clothing		124	
Uniforms		4,778	
Water and Sewer		49,281	
Other Supplies and Materials		7,749	
In Service/Staff Development		11,064	
Vocational Instruction Equipment		1,490	
Total Jail			1,328,880

Correctional Incentive Program Improvements

Other Salaries and Wages	\$	65,425	
Social Security		4,056	
Employer Medicare		949	
Communication		229	
Other Contracted Services		46,583	
Gasoline		1,410	
Other Supplies and Materials		4,404	
Total Correctional Incentive Program Improvements			123,056

Juvenile Services

Clerical Personnel	\$	94,554	
Social Security		5,862	
Unemployment Compensation		84	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Employer Medicare	\$	1,371	
Travel		485	
Other Supplies and Materials		1,641	
Other Charges		3,052	
Total Juvenile Services			\$ 107,049

Fire Prevention and Control

Contracts with Other Public Agencies	\$	8,000	
Contributions		11,000	
Total Fire Prevention and Control			19,000

Rescue Squad

Contributions	\$	5,000	
Total Rescue Squad			5,000

Other Emergency Management

Assistant(s)	\$	19,000	
Social Security		1,453	
Communication		12,400	
Maintenance and Repair Services - Vehicles		7,311	
Gasoline		1,282	
Office Supplies		147	
Other Supplies and Materials		3,668	
Building Construction		57,025	
Total Other Emergency Management			102,286

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	10,000	
Pauper Burials		2,400	
Total County Coroner/Medical Examiner			12,400

Public Safety Grants Program

Other Contracted Services	\$	3,520	
Other Equipment		22,536	
Total Public Safety Grants Program			26,056

Other Public Safety

Deputy(ies)	\$	9,952	
Social Security		617	
Employer Medicare		144	
Contributions		2,000	
Other Supplies and Materials		2,668	
Total Other Public Safety			15,381

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	9,485	
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(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Social Security	\$	588	
Unemployment Compensation		42	
Employer Medicare		138	
Communication		6,661	
Contracts with Government Agencies		12,862	
Dues and Memberships		375	
Maintenance and Repair Services - Buildings		429	
Other Contracted Services		2,228	
Electricity		6,693	
Natural Gas		5,178	
Office Supplies		233	
Water and Sewer		2,787	
Other Supplies and Materials		1,364	
Total Local Health Center			\$ 49,063

Ambulance/Emergency Medical Services

Contributions	\$	200,000	
Total Ambulance/Emergency Medical Services			200,000

Other Local Health Services

Medical Personnel	\$	88,066	
Social Security		5,460	
Unemployment Compensation		80	
Employer Medicare		1,277	
Travel		7,795	
Liability Insurance		2,655	
Total Other Local Health Services			105,333

Regional Mental Health Center

Contributions	\$	2,000	
Total Regional Mental Health Center			2,000

Other Public Health and Welfare

Contributions	\$	150,000	
Total Other Public Health and Welfare			150,000

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	47,420	
Social Security		2,940	
Unemployment Compensation		257	
Employer Medicare		688	
Other Supplies and Materials		1,382	
Total Libraries			52,687

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	96,065	
Communication		4,020	
Maintenance and Repair Services - Vehicles		1,236	
Duplicating Supplies		1,510	
Other Supplies and Materials		950	
Total Agricultural Extension Service			\$ 103,781

Soil Conservation

Clerical Personnel	\$	23,547	
Part-time Personnel		14,040	
Social Security		2,330	
Unemployment Compensation		42	
Employer Medicare		545	
Communication		1,004	
Travel		825	
Other Supplies and Materials		1,138	
Other Charges		724	
Total Soil Conservation			44,195

Other Operations

Tourism

Other Contracted Services	\$	6,800	
Other Supplies and Materials		3,427	
Other Charges		53,844	
Total Tourism			64,071

Other Economic and Community Development

Other Contracted Services	\$	328,691	
Other Charges		49,204	
Other Construction		21,450	
Total Other Economic and Community Development			399,345

Veterans' Services

Supervisor/Director	\$	10,920	
Social Security		677	
Employer Medicare		158	
Travel		637	
Office Supplies		1,582	
Total Veterans' Services			13,974

Other Charges

Building and Contents Insurance	\$	44,443	
Liability Insurance		39,190	
Trustee's Commission		84,668	
Vehicle and Equipment Insurance		16,508	
Workers' Compensation Insurance		38,516	
Total Other Charges			223,325

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 77,700	
Total Contributions to Other Agencies		\$ 77,700

Employee Benefits

Social Security	\$ 203	
Pensions	190,635	
Medical Insurance	168,025	
Employer Medicare	43	
Total Employee Benefits		358,906

COVID-19 Grant I

Other Salaries and Wages	\$ 3,726	
Social Security	231	
Employer Medicare	54	
Other Charges	443	
Other Equipment	4,798	
Total COVID-19 Grant I		9,252

COVID-19 Grant J

Other Supplies and Materials	\$ 18,071	
Other Equipment	39,168	
Total COVID-19 Grant J		57,239

Miscellaneous

Advertising	\$ 50,000	
Legal Services	414,613	
Refunds	36,357	
Other Charges	50,190	
Other Equipment	27,374	
Total Miscellaneous		578,534

Capital Projects

Public Health and Welfare Projects

Building Construction	\$ 131,855	
Total Public Health and Welfare Projects		131,855

Total General Fund \$ 8,058,316

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 28,512	
Total County Buildings		\$ 28,512

Other Operations

Other Charges

Trustee's Commission	\$ 215	
Total Other Charges		215

Total Courthouse and Jail Maintenance Fund 28,727

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Laborers	\$	29,680	
Social Security		2,271	
Unemployment Compensation		42	
Instructional Supplies and Materials		8,667	
Other Supplies and Materials		3,222	
Total Waste Pickup			\$ 43,882

Convenience Centers

Truck Drivers	\$	86,965	
Part-time Personnel		148,746	
Social Security		18,032	
Unemployment Compensation		453	
Communication		7,053	
Maintenance and Repair Services - Vehicles		28,787	
Disposal Fees		442,787	
Other Contracted Services		723	
Diesel Fuel		62,018	
Electricity		14,619	
Water and Sewer		4,055	
Other Supplies and Materials		29,259	
Other Charges		50	
Total Convenience Centers			843,547

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	11,070	
Total Landfill Operation and Maintenance			11,070

Other Operations

Other Charges

Trustee's Commission	\$	14,486	
Total Other Charges			14,486

Total Solid Waste/Sanitation Fund \$ 912,985

Industrial/Economic Development Fund

Other Operations

Industrial Development

Other Charges	\$	48,025	
Total Industrial Development			\$ 48,025

Total Industrial/Economic Development Fund 48,025

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$	12,720	
Trustee's Commission		125	

(Continued)

Exhibit K-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Other Charges	\$	470	
Motor Vehicles		17,520	
Total Drug Enforcement			\$ 30,835

Total Drug Control Fund \$ 30,835

Constitutional Officers - Fees Fund

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	213	
Total Sheriff's Department			\$ 213

Total Constitutional Officers - Fees Fund 213

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	90,636	
Accountants/Bookkeepers		40,000	
Social Security		8,099	
Pensions		7,838	
Employee and Dependent Insurance		20,944	
Employer Medicare		1,894	
Advertising		707	
Communication		3,793	
Data Processing Services		10,663	
Dues and Memberships		4,378	
Evaluation and Testing		1,190	
Maintenance and Repair Services - Office Equipment		1,438	
Postal Charges		203	
Printing, Stationery, and Forms		298	
Travel		648	
Electricity		3,535	
Office Supplies		672	
Propane Gas		1,267	
Water and Sewer		350	
Other Charges		525	
Total Administration			\$ 199,078

Highway and Bridge Maintenance

Supervisor/Director	\$	43,040	
Equipment Operators - Heavy		106,675	
Truck Drivers		165,282	
Laborers		176,100	
Social Security		30,374	
Pensions		31,185	
Employee and Dependent Insurance		151,200	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Employer Medicare	\$	7,104	
Asphalt - Liquid		334,433	
Crushed Stone		138,711	
Ice		51	
Pipe		11,936	
Road Signs		3,160	
Other Charges		34	
Total Highway and Bridge Maintenance			\$ 1,199,285

Operation and Maintenance of Equipment

Mechanic(s)	\$	33,490	
Social Security		2,076	
Pensions		2,009	
Employee and Dependent Insurance		10,472	
Employer Medicare		486	
Maintenance and Repair Services - Equipment		28,345	
Diesel Fuel		74,299	
Equipment and Machinery Parts		20,511	
Garage Supplies		2,162	
Gasoline		9,577	
Lubricants		2,333	
Propane Gas		210	
Small Tools		214	
Tires and Tubes		8,890	
Uniforms		211	
Other Supplies and Materials		302	
Other Charges		1,342	
Total Operation and Maintenance of Equipment			196,929

Other Charges

Liability Insurance	\$	47,061	
Trustee's Commission		23,681	
Workers' Compensation Insurance		65,239	
Total Other Charges			135,981

Capital Outlay

Engineering Services	\$	35,825	
Bridge Construction		694,117	
Building Improvements		13	
Highway Construction		10,700	
Highway Equipment		319,798	
Motor Vehicles		77,028	
Total Capital Outlay			<u>1,137,481</u>

Total Highway/Public Works Fund \$ 2,868,754

(Continued)

Exhibit K-7

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

<u>General Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>General Government</u>			
Principal on Bonds	\$	111,023	
Principal on Notes		<u>142,464</u>	
Total General Government			\$ 253,487
<u>Education</u>			
Principal on Other Loans	\$	<u>321,446</u>	
Total Education			321,446
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	222,457	
Interest on Notes		<u>1,351</u>	
Total General Government			223,808
<u>Education</u>			
Interest on Other Loans	\$	<u>9,860</u>	
Total Education			9,860
<u>Other Debt Service</u>			
<u>General Government</u>			
Trustee's Commission	\$	<u>14,532</u>	
Total General Government			14,532
<u>Education</u>			
Other Debt Service	\$	<u>2,042</u>	
Total Education			<u>2,042</u>
Total General Debt Service Fund			\$ 825,175
<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Health and Welfare Projects</u>			
Building Construction	\$	<u>20,633</u>	
Total Public Health and Welfare Projects			\$ <u>20,633</u>
Total General Capital Projects Fund			<u>20,633</u>
Total Governmental Funds - Primary Government			<u>\$ 12,793,663</u>

Exhibit K-8

Grundy County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Grundy County School Department
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 3,813,912	
Career Ladder Program	10,916	
Homebound Teachers	6,529	
Educational Assistants	102,054	
Other Salaries and Wages	135,133	
Non-certified Substitute Teachers	131,398	
Social Security	250,201	
Pensions	328,213	
Life Insurance	204	
Medical Insurance	505,725	
Employer Medicare	59,996	
Travel	1,425	
Instructional Supplies and Materials	6,015	
Textbooks - Bound	80,827	
Other Supplies and Materials	3,753	
In Service/Staff Development	3,300	
Other Charges	11,356	
Total Regular Instruction Program		\$ 5,450,957

Special Education Program

Teachers	\$ 1,155,155	
Career Ladder Program	7,000	
Homebound Teachers	6,079	
Educational Assistants	251,216	
Speech Pathologist	121,359	
Other Salaries and Wages	46,763	
Non-certified Substitute Teachers	33,052	
Social Security	95,441	
Pensions	119,880	
Life Insurance	341	
Medical Insurance	187,472	
Employer Medicare	22,370	
Contracts with Private Agencies	35,810	
Instructional Supplies and Materials	5,795	
Other Supplies and Materials	43,401	
Special Education Equipment	2,775	
Total Special Education Program		2,133,909

Career and Technical Education Program

Teachers	\$ 441,354
Social Security	21,207
Pensions	31,416
Medical Insurance	73,910
Employer Medicare	4,960
Other Contracted Services	2,808
Instructional Supplies and Materials	12,921

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

T&I Construction Materials	\$	4,731	
Other Charges		5,286	
Vocational Instruction Equipment		2,422	
Total Career and Technical Education Program			\$ 601,015

Support Services

Attendance

Supervisor/Director	\$	72,810	
Clerical Personnel		26,212	
Social Security		5,468	
Pensions		6,927	
Life Insurance		31	
Medical Insurance		13,469	
Employer Medicare		1,279	
Postal Charges		350	
Other Contracted Services		64,178	
Other Supplies and Materials		2,871	
In Service/Staff Development		3,027	
Total Attendance			196,622

Health Services

Supervisor/Director	\$	63,336	
Medical Personnel		55,411	
Other Salaries and Wages		119,621	
Social Security		14,250	
Pensions		18,427	
Life Insurance		146	
Medical Insurance		36,202	
Employer Medicare		3,333	
Travel		210	
Other Supplies and Materials		7,701	
In Service/Staff Development		3,578	
Other Charges		3,098	
Total Health Services			325,313

Other Student Support

Guidance Personnel	\$	245,208	
Secretary(ies)		8,202	
Social Security		14,037	
Pensions		20,955	
Life Insurance		28	
Medical Insurance		49,425	
Employer Medicare		3,283	
Contracts with Government Agencies		35,000	
Other Contracted Services		1,850	
Other Supplies and Materials		3,051	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

In Service/Staff Development	\$	1,562	
Other Charges		5,785	
Total Other Student Support			\$ 388,386

Regular Instruction Program

Supervisor/Director	\$	99,385	
Career Ladder Program		417	
Social Security		6,690	
Pensions		8,673	
Medical Insurance		9,469	
Employer Medicare		1,565	
In Service/Staff Development		1,232	
Total Regular Instruction Program			127,431

Special Education Program

Supervisor/Director	\$	69,194	
Career Ladder Program		1,000	
Psychological Personnel		25,127	
Secretary(ies)		25,734	
Clerical Personnel		17,735	
Other Salaries and Wages		55,195	
Social Security		11,951	
Pensions		10,892	
Medical Insurance		7,390	
Employer Medicare		2,795	
Communication		3,910	
Postal Charges		200	
Travel		4,191	
Other Contracted Services		183,480	
Other Supplies and Materials		6,475	
In Service/Staff Development		8,003	
Other Charges		280	
Total Special Education Program			433,552

Career and Technical Education Program

Supervisor/Director	\$	64,873	
Career Ladder Program		1,000	
Social Security		3,800	
Pensions		5,724	
Medical Insurance		10,005	
Employer Medicare		889	
Travel		190	
Total Career and Technical Education Program			86,481

Technology

Supervisor/Director	\$	4,822	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Other Salaries and Wages	\$	57,189	
Social Security		3,787	
Pensions		2,213	
Life Insurance		63	
Medical Insurance		154	
Employer Medicare		886	
Communication		913	
Internet Connectivity		30,460	
Other Contracted Services		4,394	
Regular Instruction Equipment		694	
Other Equipment		3,859	
Total Technology			\$ 109,434

Other Programs

On-behalf Payments to OPEB	\$	47,726	
Total Other Programs			47,726

Board of Education

Secretary to Board	\$	698	
Board and Committee Members Fees		7,685	
Social Security		520	
Pensions		42	
Unemployment Compensation		476	
Employer Medicare		122	
Audit Services		13,500	
Dues and Memberships		8,196	
Legal Services		24,445	
Liability Insurance		72,351	
Trustee's Commission		77,661	
Workers' Compensation Insurance		66,825	
In Service/Staff Development		272	
Other Charges		8,340	
Total Board of Education			281,133

Director of Schools

County Official/Administrative Officer	\$	120,000	
Career Ladder Program		1,000	
Clerical Personnel		23,560	
Social Security		9,185	
Pensions		12,763	
Life Insurance		28	
Medical Insurance		18,786	
Employer Medicare		2,148	
Other Fringe Benefits		9,600	
Communication		46,987	
Dues and Memberships		2,730	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Travel	\$	188	
Other Contracted Services		890	
Office Supplies		2,178	
In Service/Staff Development		4,734	
Other Charges		802	
Total Director of Schools			\$ 255,579

Office of the Principal

Principals	\$	442,631	
Career Ladder Program		1,583	
Assistant Principals		71,084	
Secretary(ies)		40,881	
Clerical Personnel		81,826	
Social Security		37,492	
Pensions		49,423	
Life Insurance		136	
Medical Insurance		58,979	
Employer Medicare		8,768	
Total Office of the Principal			792,803

Fiscal Services

Supervisor/Director	\$	37,204	
Accountants/Bookkeepers		48,580	
Secretary(ies)		20,660	
Other Salaries and Wages		10,963	
Social Security		7,099	
Pensions		6,252	
Life Insurance		87	
Medical Insurance		3,930	
Employer Medicare		1,660	
Postal Charges		1,016	
Other Contracted Services		39,948	
Office Supplies		4,938	
In Service/Staff Development		1,914	
Total Fiscal Services			184,251

Human Services/Personnel

Supervisor/Director	\$	54,691	
Clerical Personnel		23,867	
Social Security		4,482	
Pensions		5,222	
Medical Insurance		7,304	
Employer Medicare		1,048	
Dues and Memberships		694	
Postal Charges		553	
Other Supplies and Materials		550	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

In Service/Staff Development	\$	1,247	
Other Charges		2,922	
Total Human Services/Personnel			\$ 102,580

Operation of Plant

Custodial Personnel	\$	252,772	
Social Security		15,214	
Pensions		3,832	
Life Insurance		237	
Employer Medicare		3,558	
Retirement - Hybrid Stabilization		1	
Maintenance and Repair Services - Equipment		10,268	
Other Contracted Services		13,857	
Custodial Supplies		80,556	
Electricity		419,512	
Natural Gas		130,542	
Water and Sewer		121,701	
Boiler Insurance		330	
Building and Contents Insurance		52,240	
Other Charges		9,916	
Other Equipment		80,000	
Total Operation of Plant			1,194,536

Maintenance of Plant

Supervisor/Director	\$	11,267	
Maintenance Personnel		91,264	
Social Security		6,347	
Pensions		5,768	
Life Insurance		73	
Medical Insurance		1,842	
Employer Medicare		1,484	
Communication		1,343	
Maintenance and Repair Services - Equipment		74,604	
Other Contracted Services		1,972	
Other Supplies and Materials		62,086	
Other Charges		1,793	
Administration Equipment		32,830	
Other Equipment		5,575	
Total Maintenance of Plant			298,248

Transportation

Supervisor/Director	\$	51,960	
Mechanic(s)		70,195	
Bus Drivers		355,359	
Other Salaries and Wages		24,873	
In-service Training		3,992	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	30,712	
Pensions		24,031	
Life Insurance		449	
Medical Insurance		22,923	
Employer Medicare		7,309	
Communication		989	
Maintenance and Repair Services - Vehicles		2,307	
Medical and Dental Services		2,055	
Other Contracted Services		5,679	
Diesel Fuel		72,896	
Gasoline		28,006	
Propane Gas		38,160	
Tires and Tubes		24,717	
Vehicle Parts		129,817	
Other Supplies and Materials		8,281	
Vehicle and Equipment Insurance		49,350	
In Service/Staff Development		1,862	
Other Charges		3,080	
Total Transportation			\$ 959,002

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	16,560	
Social Security		1,027	
Pensions		752	
Employer Medicare		240	
Food Service Equipment		800	
Total Food Service			19,379

Community Services

Teachers	\$	241,741	
Other Salaries and Wages		7,740	
Social Security		15,385	
Pensions		12,104	
Employer Medicare		3,615	
Communication		1,233	
Travel		200	
Other Contracted Services		32,172	
Instructional Supplies and Materials		21,689	
Other Supplies and Materials		4,226	
In Service/Staff Development		2,153	
Other Charges		24,076	
Other Equipment		1,003	
Total Community Services			367,337

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	182,379	
Educational Assistants		31,665	
Other Salaries and Wages		30,720	
Social Security		14,599	
Pensions		18,073	
Medical Insurance		19,915	
Employer Medicare		3,414	
Retirement - Hybrid Stabilization		41	
Communication		38	
Maintenance and Repair Services - Equipment		1,500	
Travel		1,520	
Instructional Supplies and Materials		19,322	
Other Supplies and Materials		12,790	
In Service/Staff Development		2,402	
Other Charges		2,654	
Other Equipment		29,669	
Total Early Childhood Education			\$ 370,701

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	125,000	
Total Regular Capital Outlay			125,000

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	26,445	
Total Education			26,445

Total General Purpose School Fund \$ 14,877,820

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	164,139	
Educational Assistants		136,109	
Non-certified Substitute Teachers		6,466	
Social Security		18,813	
Pensions		16,609	
Life Insurance		101	
Medical Insurance		16,556	
Employer Medicare		4,400	
Instructional Supplies and Materials		145,654	
Textbooks - Bound		104,219	
Other Supplies and Materials		95,066	
Other Charges		310	
Regular Instruction Equipment		19,296	
Total Regular Instruction Program			\$ 727,738

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	9,703	
Educational Assistants		176,589	
Speech Pathologist		31,773	
Other Salaries and Wages		214,543	
Social Security		26,596	
Pensions		22,762	
Medical Insurance		32,200	
Employer Medicare		6,220	
Instructional Supplies and Materials		2,623	
Other Supplies and Materials		5,687	
Special Education Equipment		28,215	
Total Special Education Program			\$ 556,911

Career and Technical Education Program

Other Salaries and Wages	\$	200	
Social Security		12	
Pensions		17	
Employer Medicare		3	
Instructional Supplies and Materials		21,042	
Other Supplies and Materials		765	
Vocational Instruction Equipment		19,547	
Total Career and Technical Education Program			41,586

Support Services

Attendance

Other Contracted Services	\$	7,588	
Total Attendance			7,588

Health Services

Software	\$	6,442	
Other Supplies and Materials		5,738	
Total Health Services			12,180

Other Student Support

Social Workers	\$	57,012	
Other Salaries and Wages		11,578	
Social Security		4,207	
Pensions		4,921	
Medical Insurance		5,642	
Employer Medicare		984	
Contracts with Private Agencies		839	
Travel		2,000	
Other Contracted Services		3,750	
Other Supplies and Materials		11,817	
In Service/Staff Development		1,180	
Other Charges		6,892	
Other Equipment		17,118	
Total Other Student Support			127,940

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	75,951	
Other Salaries and Wages		387,300	
In-service Training		19,050	
Social Security		28,031	
Pensions		36,104	
Medical Insurance		37,850	
Employer Medicare		6,556	
Travel		306	
Other Contracted Services		186,250	
Instructional Supplies and Materials		4,776	
Other Supplies and Materials		5,295	
In Service/Staff Development		23,101	
Other Equipment		1,965	
Total Regular Instruction Program			\$ 812,535

Special Education Program

In-service Training	\$	400	
Social Security		30	
Pensions		39	
Employer Medicare		7	
Postal Charges		360	
Other Supplies and Materials		4,450	
In Service/Staff Development		5,719	
Other Equipment		6,050	
Total Special Education Program			17,055

Career and Technical Education Program

In Service/Staff Development	\$	926	
Total Career and Technical Education Program			926

Transportation

Bus Drivers	\$	5,915	
Other Salaries and Wages		19,175	
Social Security		1,556	
Pensions		1,008	
Employer Medicare		364	
Total Transportation			28,018

Operation of Non-Instructional Services

Community Services

Teachers	\$	46,918	
Social Security		2,909	
Pensions		2,905	
Employer Medicare		680	
Instructional Supplies and Materials		504	
In Service/Staff Development		150	
Total Community Services			54,066

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 1,989,490	
Other Capital Outlay	100,385	
Total Regular Capital Outlay		<u>\$ 2,089,875</u>

Total School Federal Projects Fund \$ 4,476,418

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 72,810	
Clerical Personnel	53,046	
Cafeteria Personnel	566,099	
Social Security	42,554	
Pensions	33,979	
Life Insurance	663	
Medical Insurance	15,744	
Employer Medicare	9,952	
Communication	779	
Maintenance and Repair Services - Equipment	28,961	
Transportation - Other than Students	417	
Travel	246	
Other Contracted Services	8,380	
Food Supplies	676,879	
Office Supplies	2,293	
Uniforms	300	
USDA - Commodities	109,813	
In Service/Staff Development	45	
Other Charges	2,325	
Food Service Equipment	9,765	
Other Equipment	756	
Total Food Service		<u>\$ 1,635,806</u>

Total Central Cafeteria Fund 1,635,806

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 630,668	
Total Community Services		<u>\$ 630,668</u>

Total Internal School Fund 630,668

Total Governmental Funds - Grundy County School Department \$ 21,620,712

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

Grundy County Mayor and
Board of County Commissioners
Grundy 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grundy County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Grundy County's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 22, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Grundy County School Department (a discretely presented component unit) as described in our report on Grundy County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grundy 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 Grundy County's internal control. Accordingly, we do not express an opinion on the effectiveness of Grundy 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the following deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2023-001(A) and 2023-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grundy County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2023-001(B) and 2023-002.

Grundy County’s Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Grundy County’s responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Grundy County’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Grundy 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 22, 2024

JEM/gc



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grundy County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Grundy County's major federal programs for the year ended June 30, 2023. Grundy County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Grundy County complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Grundy County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does

not provide a legal determination of Grundy County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Grundy County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Grundy County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Grundy County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Grundy County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Grundy County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Grundy County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grundy County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Grundy County's basic financial statements. We issued our report thereon dated February 22, 2024, 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 22, 2024

JEM/gc

Grundy County, Tennessee, and the Grundy County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
For the Year-Ended June 30, 2023

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	\$ 432,764
National School Lunch Program	10.555	(4)	919,101 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	(4)	3,135
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	109,813 (6)
Rebate of Storage and Distribution Fees	10.555	(4)	6,818 (6)
Direct Program:			
Community Facilities Loans And Grants Cluster: (5)			
Community Facilities Loans and Grants	10.766	N/A	20,633
Total U.S. Department of Agriculture			<u>\$ 1,492,264</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(4)	\$ 19,750
Passed-through Tennessee Housing Development Agency:			
HOME Investment Partnerships Program	14.239	(4)	114,441
Total U.S. Department of Housing and Urban Development			<u>\$ 134,191</u>
U.S. Department of Justice:			
Passed-through State Department of Finance and Administration:			
Second Chance Act Reentry Initiative	16.812	(4)	\$ 158,549
Total U.S. Department of Justice			<u>\$ 158,549</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Highway Safety Cluster: (5)			
State and Community Highway Safety	20.600	(4)	\$ 13,572
Total U.S. Department of Transportation			<u>\$ 13,572</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	\$ 798,631
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	573,802
Special Education - Preschool Grants	84.173	(4)	23,934
Career and Technical Education - Basic Grants to States	84.048	(4)	46,488
Twenty-first Century Community Learning Centers	84.287	(4)	54,066
Rural Education	84.358	(4)	79,193
Supporting Effective Instruction State Grants	84.367	(4)	27,075
Student Support and Academic Enrichment Program	84.424	(4)	86
COVID 19 - Education Stabilization Fund (ESSER II)	84.425D	(4)	111,250 (6)
COVID 19 - Education Stabilization Fund Program (ESSER II)	84.425D	(4)	1,585,585 (6)
COVID 19 - Education Stabilization Fund Program - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	(4)	1,172,015 (6)
COVID 19 - Education Stabilization Fund Program - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	(4)	10,787 (6)
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	66,158
Total U.S. Department of Education			<u>\$ 4,549,070</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	(4)	\$ 50,901
Public Health Emergency Response: Cooperative Agreement for Emergency Response:			
Public Health Crisis Response	93.354	(4)	7,920
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	(4)	91,071
Total U.S. Department of Health and Human Services			<u>\$ 149,892</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Homeland Security Grant Program	97.067	(4)	\$ 32,040
Total U.S. Department of Homeland Security			<u>\$ 32,040</u>
Total Expenditures of Federal Grants			<u>\$ 6,529,578</u>

<u>State Grants</u>		<u>Contract Number</u>	
Juvenile Court Supplemental Services - State Department of Children's Services	N/A	(4)	\$ 9,000
Safe Baby Court - State Department of Children's Services	N/A	(4)	31,518
Three Star Grant - State Department of Economic and Community Development	N/A	(4)	50,000
Bridge Camp - State Department of Education	N/A	(4)	19,427
Coordinated School Health - State Department of Education	N/A	(4)	99,536
Early Childhood Education - State Department of Education	N/A	(4)	182,301
Family Resource Center - State Department of Education	N/A	(4)	11,584
Learning Camps - State Department of Education	N/A	(4)	95,407
Lottery for Education-Afterschool Programs - State Department of Education	N/A	(4)	300,715
Safe Schools Grant - State Department of Education	N/A	(4)	40,749
STREAM Mini Camps - State Department of Education	N/A	(4)	9,917
Summer Learning Transportation - State Department of Education	N/A	(4)	39,309
Mental Health Transport Grant - State Department of Finance and Administration	N/A	(4)	31,075
Rural Local Health Services - State Department of Health	N/A	(4)	127,727
Safe Baby Court - State Department of Mental Health and Substance Abuse Services	N/A	(4)	48,090
Tourism Enhancement Grant - State Department of Tourist Development	N/A	(4)	6,312
Litter Grant - State Department of Transportation	N/A	(4)	<u>51,281</u>
Total State Grants			<u>\$ 1,153,948</u>

FAL = Federal Assistance Listing
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Grundy 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 \$1,468,496; Community Facilities Loans and Grants Cluster total \$20,633; Highway Safety Cluster total \$13,572; Special Education Cluster total \$597,736.
- (6) Total for FAL No. 10.555 is \$1,035,732; Total for FAL No. 84.425 is \$2,879,637.
- (7) CONSOLIDATED ADMINISTRATION

Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Education Agencies	84.010	\$ 84,892
Rural Education	84.358	9,471
Supporting Effective Instruction State Grants	84.367	7,020
Student Support and Academic Enrichment Program	84.424	86
		<u>\$ 101,469</u>

Grundy County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

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 Grundy County, Tennessee, for the year ended June 30, 2023.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICES OF COUNTY MAYOR, HIGHWAY SUPERINTENDENT, AND DIRECTOR OF SCHOOLS

2022	197	2022-001	Various county funds required material audit adjustments for proper financial statement presentation.	N/A	Corrected
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OFFICE OF COUNTY MAYOR

2022	198	2022-002	The general capital projects fund had a deficit in unassigned fund balance at June 30, 2022.	N/A	Corrected
2022	199	2022-003	The office had deficiencies in budget operations.	N/A	Corrected

OFFICE OF DIRECTOR OF SCHOOLS

2022	200	2022-004	Accounting records for the year ended June 30, 2022, were not closed and available for audit by August 31, 2022, and accounting records for the school department were not maintained on a timely basis.	N/A	Corrected
2022	201	2022-005	The office had deficiencies in budget operations.	N/A	Corrected
2022	203	2022-006	Cash on deposit with the trustee was not reconciled properly.	N/A	Corrected

Prior-year Federal Awards Findings

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

GRUNDY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Number: 84.010 Title I Grants to Local Educational Agencies
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF SCHOOLS AND TRUSTEE

FINDING 2023-001

THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT AT JUNE 30, 2023, AND THE TRUSTEE PAID CHECKS FROM THE SCHOOL FEDERAL PROJECTS FUND THAT EXCEEDED AVAILABLE FUNDS

(A. - Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies related to the School Federal Projects Fund:

- A. The School Federal Projects Fund had a cash overdraft of \$284,000 at June 30, 2023. The cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. Sound business practices dictate that expenditures be held within available funds.
- B. The trustee paid checks issued from the School Federal Projects Fund that exceeded the available cash on deposit. At June 30, 2023, the paid checks exceeded the available cash on deposit by \$249,979. Section 8-11-104(5), *Tennessee Code Annotated*, prohibits the trustee from paying a check if sufficient funds are not available.

These deficiencies exist because the school department issued checks exceeding cash on deposit with the trustee, and the trustee continued paying checks that exceeded available cash. The cash overdraft was liquidated subsequent to June 30, 2023.

RECOMMENDATION

School department personnel should monitor their cash balance and not issue checks exceeding cash on deposit with the county trustee. The county trustee should not pay checks that exceed available cash as required by state statute.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

MANAGEMENT’S RESPONSE – TRUSTEE

I concur with this finding. This finding is a direct result of the Board of Education not having a cushion in their Federal Projects Fund. This issue has been resolved by the BOE by passing a resolution during a board meeting to add more funds to this account to prevent expenditures from reaching a negative before receiving additional funds due from the federal government.

OFFICE OF SHERIFF

FINDING 2023-002

A CASH SHORTAGE OF \$150 EXISTED IN THE OFFICE OF SHERIFF AT JUNE 30, 2023

(Noncompliance Under *Government Auditing Standards*)

As a part of our audit procedures, we chose certain receipts issued during the year by the Sheriff’s Office and traced them to deposits into the official bank account. Our examination revealed that a receipt issued on March 29, 2023, totaling \$150 was not deposited to the bank account. Auditors inquired about the missing funds and the sheriff’s bookkeeper stated that sometimes the official receipt book is not readily available when funds are collected, so the funds are taken and held until they can be receipted later. Until made aware of the missing funds by auditors, the sheriff was unaware of the shortage. Once they were informed of the situation, sheriff’s department personnel searched for the missing funds through February 14, 2024. The funds had not been located as of this date and the Sheriff liquidated the cash shortage from personal funds on February 15, 2024. Also, a fraud reporting form was not filed with the state Comptroller’s Office as required by Section 8-4-503, *Tennessee Code Annotated*.

RECOMMENDATION

The office should issue receipts for all funds collected at the time of collection. The sheriff should file a Fraud Reporting Form with the state Comptroller’s Office for instances of fraud, waste, or abuse in compliance with state statute.

MANAGEMENT’S RESPONSE – SHERIFF

I concur with this finding.

FINDING 2023-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Office of Sheriff. The official and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct findings noted in the prior-year audit report and the failure to implement their corrective action plan.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – SHERIFF

I concur with this finding.

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, 2023.

Grundy County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF SCHOOLS

2023-001	The School Federal Projects Fund had a cash overdraft at June 30, 2023.	192
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OFFICE OF TRUSTEE

2023-001	The trustee paid checks from the School Federal Projects Fund that exceeded available funds.	193
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OFFICE OF SHERIFF

2023-002	A cash shortage of \$150 existed in the Office of Sheriff at June 30, 2023.	194
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2023-003	Duties were not segregated adequately.	194
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GRUNDY COUNTY BOARD OF EDUCATION

Dr. Clint Durley, Director of Schools

1376 Main Street
PO Box 97
ALTAMONT, TN 37301

Telephone: (931) 692-3467
Fax: (931) 692-2188
www.grundycoschools.com

Corrective Action Plan

FINDING 2023-001: THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$284,000 AT JUNE 30, 2023

Response and Corrective Action Plan Prepared by:
Dr. Jennifer Webb, CFO

Person Responsible for Implementing the Corrective Action:
Dr. Jennifer Webb

Anticipated Completion Date of Corrective Action:
February 22, 2024

Repeat Finding:
No

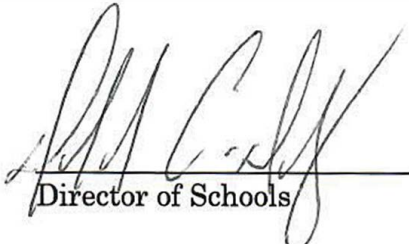
Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

The ongoing projects in ESSER 2 and ESSER 3 put the district in cash overdraft at year's end. The amount of the checks written in June and the lag time of reimbursement caused the cash overdraft.

Action Plan:

The school department passed a resolution in the February board meeting to move an additional \$300,000 from 141 into 142. Additionally, fiscal staff will create a spreadsheet to track expenditures and revenues for 142 monthly to ensure a cash deficit does not occur.

Signature: 
Director of Schools



Corrective Action Plan

FINDING 2023-001: THE TRUSTEE PAID CHECKS FROM THE SCHOOL FEDERAL PROJECTS FUND THAT EXCEEDED AVAILABLE FUNDS

Response and Corrective Action Plan Prepared by:
Tyler McCullough, Grundy County Trustee

Person Responsible for Implementing the Corrective Action:
Tyler McCullough, Trustee

Anticipated Completion Date of Corrective Action:
02/15/2024

Repeat Finding:
No

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

Planned Corrective Action:
The BOE will need to verify and receive approval from the Trustee before checks written and disbursed.

Signature: 
Trustee



Grundy County Sheriff's Office

Heath Gunter, Sheriff

Corrective Action Plan

FINDING 2023-001: A CASH SHORTAGE OF \$150 EXISTED IN THE OFFICE OF SHERIFF AT JUNE 30, 2023

Response and Corrective Action Plan Prepared by:
Sheriff Heath Gunter, Grundy County Sheriff Office

Person Responsible for Implementing the Corrective Action:
Sheriff Heath Gunter, Grundy County Sheriff Office and Staff

Anticipated Completion Date of Corrective Action:
Completed immediately upon infraction on 2/15/2024

Repeat Finding:
No

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

Planned Corrective Action:
The infraction was corrected and the shortage was paid back by Sheriff Gunter on 2/15/2024.

**FINDING 2023-002:
DUTIES WERE NOT SEGREGATED ADEQUATELY**

Response and Corrective Action Plan Prepared by:
Sheriff Heath Gunter, Grundy County Sheriff Office

Person Responsible for Implementing the Corrective Action:
Sheriff Heath Gunter, Grundy County Sheriff and Staff

Anticipated Completion Date of Corrective Action:
Immediately after being notified of the infraction corrective measures were taken.

PO Box 218
Altamont, Tennessee 37301

PH: (931) 692-3466
FX: (931) 692-2400
Email: hgunter@gc-sheriff.com

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Segregation of duties. We are updating the GCSO internal controls and we have already taken steps to eliminate any future infractions.

Signature:


Sheriff

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 Grundy County.

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

Grundy County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Grundy County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.