



ANNUAL FINANCIAL REPORT

Clay County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
CLAY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2024

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.

CLAY COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Clay County, Tennessee
For the Year Ended June 30, 2024

Scope

We have audited the basic financial statements of Clay County as of and for the year ended June 30, 2024.

Results

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

Our audit resulted in two findings and recommendations, which we have reviewed with Clay 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 COUNTY MAYOR AND ROAD SUPERINTENDENT

- ◆ The offices had not established formal purchase order systems.

OFFICE OF ROAD SUPERINTENDENT

- ◆ An investigation revealed the road superintendent misappropriated highway department fuel for his personal use.



INTRODUCTORY SECTION

CLAY COUNTY OFFICIALS

June 30, 2024

Officials

Dale Reagan, County Mayor
Jason Browning, Road Superintendent
Diana Monroe, Director of Schools
Angie Thompson, Trustee
Angie Eads, Assessor of Property
Donna Watson, County Clerk
Keshia Smith, Circuit and General Sessions Courts Clerk
Rene Davis, Clerk and Master
Brenda Browning, Register of Deeds
Brandon Boone, Sheriff

Board of County Commissioners

Dale Reagan, County Mayor, Chairman	
Elizabeth Boles	Jerry Rhoton
Bryan Coons	Jennifer Ritter
Dorothy Forney	Austin Smith
Jeff Gentry	Parrish Wright
Mark Poindexter	Winton Young

Board of Education

Benji Bailey, Chairman	Nick Melton
Mark Ashlock	Nathan Sherrell
Roy Henson	Todd Upton
Todd Lynn	Vonda Weir
James Mays	David West

Audit Committee

Doug Young, Chairman
Tammy Melton
Parrish Wright

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Clay County Mayor and
Board of County Commissioners
Clay 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clay County, Tennessee, as of and for the year ended June 30, 2024, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clay County, Tennessee, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, Other Special Revenue, 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 Clay County School Department (a discretely presented component unit), which represent 1.74 percent, 2.11 percent, and 3.76 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. 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 Clay County School Department's Internal School Fund, 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 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 Clay 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.

Change in Accounting Principle

As described in Note V.B., Clay County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 clarifies financial and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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 Clay 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Clay 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 Clay 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 schedule of school changes in the total other postemployment benefits 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 Clay 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 Clay 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 Clay 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 October 25, 2024, on our consideration of the Clay 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 Clay 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 Clay County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in blue ink, appearing to read "J.E. Mumpower", is written over the typed name and title.

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

October 25, 2024

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

CLAY COUNTY, TENNESSEE**Statement of Net Position****June 30, 2024**

	Primary Government Governmental Activities	Component Unit Clay County School Department
ASSETS		
Cash	\$ 25,618	\$ 416,364
Equity in Pooled Cash and Investments	9,642,660	8,632,659
Accounts Receivable	550,967	848
Allowance for Uncollectibles	(383,275)	0
Due from Other Governments	736,878	1,145,353
Due from Component Unit	2,750,000	0
Property Taxes Receivable	3,228,895	1,828,410
Allowance for Uncollectible Property Taxes	(77,516)	(47,172)
Net Pension Asset - Agent Plan	53,598	25,595
Net Pension Asset - Teacher Retirement Plan	0	37,797
Net Pension Asset - Teacher Legacy Pension Plan	0	1,467,640
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	165,309
Capital Assets:		
Assets Not Depreciated:		
Land	103,800	298,098
Construction in Progress	285,299	445,707
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,447,657	7,294,772
Infrastructure	9,574,082	171,069
Other Capital Assets	2,346,625	1,151,075
Total Assets	<u>\$ 31,285,288</u>	<u>\$ 23,033,524</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Changes in Experience	\$ 285,362	\$ 487,212
Pension Changes in Investment Earnings	70,996	298,157
Pension Changes in Assumptions	318,051	658,515
Pension Changes in Proportion	0	9,836
Pension Contributions After Measurement Date	268,084	461,362
OPEB Changes in Experience	0	94,929
OPEB Changes in Assumptions	0	17,928
Total Deferred Outflows of Resources	<u>\$ 942,493</u>	<u>\$ 2,027,939</u>

(Continued)

CLAY COUNTY, TENNESSEE
Statement of Net Position (Cont.)

	Primary Government	Component Unit
	Governmental Activities	Clay County School Department
LIABILITIES		
Accounts Payable	\$ 9	\$ 33,820
Accrued Interest Payable	6,875	0
Payroll Deductions Payable	17	75
Due to Primary Government	0	2,750,000
Due to Other Governments	204,333	0
Noncurrent Liabilities:		
Due Within One Year - Debt	360,000	0
Due Within One Year - Other	43,845	13,054
Due in More Than One Year - Debt	2,390,000	0
Due in More Than One Year - Other	14,615	1,009,200
Total Liabilities	<u>\$ 3,019,694</u>	<u>\$ 3,806,149</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 3,031,270	\$ 1,714,864
Pension Changes in Experience	128,183	151,381
Pension Changes in Proportion	0	113,481
OPEB Changes in Experience	0	131,671
OPEB Changes in Assumptions	0	206,273
Total Deferred Inflow of Resources	<u>\$ 3,159,453</u>	<u>\$ 2,317,670</u>
NET POSITION		
Net Investment in Capital Assets	\$ 14,757,463	\$ 9,360,721
Restricted for:		
General Government	1,173,557	0
Finance	53,201	0
Administration of Justice	56,347	0
Public Safety	199,932	0
Highways	1,394,427	0
Education	29,550	799,930
Debt Service	845,952	0
Capital Outlay	32,653	0
Pensions	53,598	1,696,341
Unrestricted	<u>7,451,954</u>	<u>7,080,652</u>
Total Net Position	<u><u>\$ 26,048,634</u></u>	<u><u>\$ 18,937,644</u></u>

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

CLAY COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Clay County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,167,693	\$ 120,510	\$ 196,375	\$ 0	\$ (1,850,808)	\$ 0
Finance	483,420	339,510	0	0	(143,910)	0
Administration of Justice	386,713	143,106	9,000	0	(234,607)	0
Public Safety	1,792,613	83,729	180,044	312,853	(1,215,987)	0
Public Health and Welfare	2,181,647	507,854	869,459	44,638	(759,696)	0
Social, Cultural, and Recreational Services	359,659	46,557	147,426	0	(165,676)	0
Agriculture and Natural Resources	151,335	0	0	0	(151,335)	0
Highways/Public Works	3,320,133	0	1,993,556	809,258	(517,319)	0
Interest on Long-term Debt	92,125	0	0	0	(92,125)	0
Total Governmental Activities	<u>\$ 10,935,338</u>	<u>\$ 1,241,266</u>	<u>\$ 3,395,860</u>	<u>\$ 1,166,749</u>	<u>\$ (5,131,463)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 10,935,338</u>	<u>\$ 1,241,266</u>	<u>\$ 3,395,860</u>	<u>\$ 1,166,749</u>	<u>\$ (5,131,463)</u>	<u>\$ 0</u>
Component Unit:						
Clay County School Department	<u>\$ 14,268,388</u>	<u>\$ 52,760</u>	<u>\$ 3,373,318</u>	<u>\$ 848,693</u>	<u>\$ 0</u>	<u>\$ (9,993,617)</u>
Total Component Unit	<u>\$ 14,268,388</u>	<u>\$ 52,760</u>	<u>\$ 3,373,318</u>	<u>\$ 848,693</u>	<u>\$ 0</u>	<u>\$ (9,993,617)</u>

(Continued)

CLAY COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Clay County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 2,897,488	\$ 1,754,489
Property Taxes Levied for Debt Service					205,513	0
Local Option Sales Taxes					607,988	1,101,587
Wheel Tax					573,901	0
Wholesale Beer Tax					88,033	0
Litigation Taxes					47,633	0
Mixed Drink Tax					1,360	1,360
Mineral Severance Tax					3,606	0
Business Tax					58,858	0
Hotel/Motel Tax					84,493	0
Other Local Taxes					475	0
Grants and Contributions Not Restricted for Specific Programs					641,251	9,656,878
Unrestricted Investment Income					89,255	13,905
Miscellaneous					25,509	7,474
Sale of Land/Equipment					9,774	0
Total General Revenues					<u>\$ 5,335,137</u>	<u>\$ 12,535,693</u>
Change in Net Assets					\$ 203,674	\$ 2,542,076
Net Position, July 1, 2023					<u>25,844,960</u>	<u>16,395,568</u>
Net Position, June 30, 2024					<u>\$ 26,048,634</u>	<u>\$ 18,937,644</u>

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

CLAY COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds

June 30, 2024

	Major Funds				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	2,817,702	1,042,462	1,104,765	1,059,590	3,302,326
Accounts Receivable	547,033	2,966	0	0	0
Allowance for Uncollectibles	(383,275)	0	0	0	0
Due from Other Governments	391,215	0	0	334,863	0
Due from Other Funds	2,288	25,000	0	0	0
Property Taxes Receivable	2,450,848	564,084	0	0	213,963
Allowance for Uncollectible Property Taxes	(58,837)	(13,542)	0	0	(5,137)
Total Assets	<u>\$ 5,766,974</u>	<u>\$ 1,620,970</u>	<u>\$ 1,104,765</u>	<u>\$ 1,394,453</u>	<u>\$ 3,511,152</u>
LIABILITIES					
Payroll Deductions Payable	\$ 0	\$ 0	\$ 0	\$ 17	\$ 0
Due to Other Funds	25,000	0	0	0	0
Due to Other Governments	0	0	204,333	0	0
Other Current Liabilities	0	0	0	9	0
Total Liabilities	<u>\$ 25,000</u>	<u>\$ 0</u>	<u>\$ 204,333</u>	<u>\$ 26</u>	<u>\$ 0</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 2,300,844	\$ 529,559	\$ 0	\$ 0	\$ 200,867
Deferred Delinquent Property Taxes	80,549	18,539	0	0	7,032
Other Deferred/Unavailable Revenue	221,229	0	0	161,982	0
Total Deferred Inflows of Resources	<u>\$ 2,602,622</u>	<u>\$ 548,098</u>	<u>\$ 0</u>	<u>\$ 161,982</u>	<u>\$ 207,899</u>

(Continued)

CLAY COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

	Major Funds				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 71,872	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for General Government - American Rescue Plan Act	0	0	900,432	0	0
Restricted for Finance	53,201	0	0	0	0
Restricted for Administration of Justice	56,347	0	0	0	0
Restricted for Public Safety	107,223	0	0	0	0
Restricted for Highways/Public Works	0	0	0	1,232,445	0
Restricted for Capital Outlay	0	0	0	0	0
Restricted for Debt Service	0	0	0	0	838,920
Restricted for Capital Projects	29,550	0	0	0	0
Committed:					
Committed for Finance	0	0	0	0	0
Committed for Public Safety	706,624	0	0	0	893,474
Committed for Public Health and Welfare	0	1,072,872	0	0	0
Committed for Social, Cultural, and Recreational Services	147,269	0	0	0	0
Committed for Debt Service	0	0	0	0	1,570,859
Unassigned	1,967,266	0	0	0	0
Total Fund Balances	<u>\$ 3,139,352</u>	<u>\$ 1,072,872</u>	<u>\$ 900,432</u>	<u>\$ 1,232,445</u>	<u>\$ 3,303,253</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,766,974</u>	<u>\$ 1,620,970</u>	<u>\$ 1,104,765</u>	<u>\$ 1,394,453</u>	<u>\$ 3,511,152</u>

(Continued)

CLAY COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		Funds
ASSETS			
Cash	\$ 25,618	\$	25,618
Equity in Pooled Cash and Investments	315,815		9,642,660
Accounts Receivable	968		550,967
Allowance for Uncollectibles	0		(383,275)
Due from Other Governments	10,800		736,878
Due from Other Funds	0		27,288
Property Taxes Receivable	0		3,228,895
Allowance for Uncollectible Property Taxes	0		(77,516)
	<u>0</u>		<u>(77,516)</u>
Total Assets	<u>\$ 353,201</u>	<u>\$</u>	<u>13,751,515</u>
LIABILITIES			
Payroll Deductions Payable	\$ 0	\$	17
Due to Other Funds	2,288		27,288
Due to Other Governments	0		204,333
Other Current Liabilities	0		9
Total Liabilities	<u>\$ 2,288</u>	<u>\$</u>	<u>231,647</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$ 0	\$	3,031,270
Deferred Delinquent Property Taxes	0		106,120
Other Deferred/Unavailable Revenue	0		383,211
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$</u>	<u>3,520,601</u>

(Continued)

CLAY COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

FUND BALANCES

Restricted:

Restricted for General Government

\$ 201,253 \$ 273,125

Restricted for General Government - American Rescue Plan Act

0 900,432

Restricted for Finance

0 53,201

Restricted for Administration of Justice

0 56,347

Restricted for Public Safety

92,709 199,932

Restricted for Highways/Public Works

0 1,232,445

Restricted for Capital Outlay

32,653 32,653

Restricted for Debt Service

0 838,920

Restricted for Capital Projects

0 29,550

Committed:

Committed for Finance

24,298 24,298

Committed for Public Safety

0 1,600,098

Committed for Public Health and Welfare

0 1,072,872

Committed for Social, Cultural, and Recreational Services

0 147,269

Committed for Debt Service

0 1,570,859

Unassigned

0 1,967,266

Total Fund Balances

\$ 350,913 \$ 9,999,267

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 353,201 \$ 13,751,515

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

CLAY COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental****Funds to the Statement of Net Position****June 30, 2024**

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)		\$	9,999,267
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	103,800	
Add: construction in progress		285,299	
Add: buildings and improvements net of accumulated depreciation		2,447,657	
Add: infrastructure net of accumulated depreciation		9,574,082	
Add: other capital assets net of accumulated depreciation		<u>2,346,625</u>	14,757,463
(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	\$	(2,750,000)	
Add: debt to be contributed by the school department		2,750,000	
Less: compensated absences payable		(58,460)	
Less: accrued interest on bonds		<u>(6,875)</u>	(65,335)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	942,493	
Less: deferred inflows of resources related to pensions		<u>(128,183)</u>	814,310
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			53,598
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>489,331</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>26,048,634</u></u>

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

CLAY COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
Revenues					
Local Taxes	\$ 3,569,181	\$ 542,125	\$ 0	\$ 3,606	\$ 428,438
Licenses and Permits	73,681	0	0	0	0
Fines, Forfeitures, and Penalties	40,859	0	0	0	0
Charges for Current Services	320,987	79,204	0	0	0
Other Local Revenues	21,080	35,585	13	7,542	88,728
Fees Received From County Officials	367,297	0	0	0	0
State of Tennessee	1,136,915	65,916	0	2,764,180	0
Federal Government	845,530	0	14,100	0	0
Other Governments and Citizens Groups	270,435	0	0	0	443,450
Total Revenues	\$ 6,645,965	\$ 722,830	\$ 14,113	\$ 2,775,328	\$ 960,616
Expenditures					
Current:					
General Government	\$ 938,151	\$ 0	\$ 250,275	\$ 0	\$ 0
Finance	300,570	0	0	0	0
Administration of Justice	385,401	0	0	0	0
Public Safety	2,304,030	0	0	0	0
Public Health and Welfare	1,381,213	735,393	0	0	0
Social, Cultural, and Recreational Services	261,942	0	0	0	0
Agriculture and Natural Resources	150,002	0	0	0	0
Other Operations	1,032,038	11,936	0	0	0
Highways	24,177	0	0	3,938,702	0
Debt Service:					
Principal on Debt	0	0	0	0	350,000
Interest on Debt	0	0	0	0	93,000
Other Debt Service	0	0	0	0	7,177
Total Expenditures	\$ 6,777,524	\$ 747,329	\$ 250,275	\$ 3,938,702	\$ 450,177

(Continued)

CLAY COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds (Cont.)

	Major Funds				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
Excess (Deficiency) of Revenues Over Expenditures	\$ (131,559)	\$ (24,499)	\$ (236,162)	\$ (1,163,374)	\$ 510,439
Other Financing Sources (Uses)					
Transfers In	\$ 38,071	\$ 2,900	\$ 0	\$ 0	\$ 0
Transfers Out	(2,900)	0	(38,071)	0	0
Total Other Financing Sources (Uses)	\$ 35,171	\$ 2,900	\$ (38,071)	\$ 0	\$ 0
Net Change in Fund Balances	\$ (96,388)	\$ (21,599)	\$ (274,233)	\$ (1,163,374)	\$ 510,439
Fund Balance, July 1, 2023	3,235,740	1,094,471	1,174,665	2,395,819	2,792,814
Fund Balance, June 30, 2024	\$ 3,139,352	\$ 1,072,872	\$ 900,432	\$ 1,232,445	\$ 3,303,253

(Continued)

CLAY COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds (Cont.)

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
Revenues			
Local Taxes	\$ 14,668	\$	4,558,018
Licenses and Permits	0		73,681
Fines, Forfeitures, and Penalties	3,129		43,988
Charges for Current Services	107,288		507,479
Other Local Revenues	0		152,948
Fees Received From County Officials	0		367,297
State of Tennessee	10,800		3,977,811
Federal Government	0		859,630
Other Governments and Citizens Groups	34,720		748,605
Total Revenues	<u>\$ 170,605</u>	<u>\$</u>	<u>11,289,457</u>
Expenditures			
Current:			
General Government	\$ 79,111	\$	1,267,537
Finance	107,326		407,896
Administration of Justice	0		385,401
Public Safety	40,147		2,344,177
Public Health and Welfare	0		2,116,606
Social, Cultural, and Recreational Services	0		261,942
Agriculture and Natural Resources	0		150,002
Other Operations	547		1,044,521
Highways	0		3,962,879
Debt Service:			
Principal on Debt	0		350,000
Interest on Debt	0		93,000
Other Debt Service	0		7,177
Total Expenditures	<u>\$ 227,131</u>	<u>\$</u>	<u>12,391,138</u>

(Continued)

CLAY COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds (Cont.)

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
Excess (Deficiency) of Revenues			
Over Expenditures	\$ (56,526)	\$	(1,101,681)
Other Financing Sources (Uses)			
Transfers In	\$ 0	\$	40,971
Transfers Out	0		(40,971)
Total Other Financing Sources (Uses)	\$ 0	\$	0
Net Change in Fund Balances	\$ (56,526)	\$	(1,101,681)
Fund Balance, July 1, 2023	407,439		11,100,948
Fund Balance, June 30, 2024	\$ 350,913	\$	9,999,267

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

CLAY 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, 2024**

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) \$ (1,101,681)

(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: assets purchased	\$ 1,494,924	
Less: current-year depreciation expense	<u>(435,910)</u>	1,059,014
(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, 2024	\$ 489,331	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(289,776)</u>	199,555
(3) The issuance of long-term debt (e.g., notes, other loans, bonds) 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.		
Add: principal payments on bonds	\$ 350,000	
Less: contributions from the school department for bonds	<u>(350,000)</u>	0
(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 accrued interest payable	\$ 875	
Change in compensated absences payable	48,228	
Change in net pension liability/asset	(272,811)	
Change in deferred outflows related to pensions	215,876	
Change in deferred inflows related to pensions	<u>54,618</u>	<u>46,786</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 203,674</u></u>

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

CLAY COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**

General Fund

For the Year Ended June 30, 2024

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
Revenues					
Local Taxes	\$ 3,569,181	\$	3,646,125	\$ 3,646,125	\$ (76,944)
Licenses and Permits	73,681		100,500	100,500	(26,819)
Fines, Forfeitures, and Penalties	40,859		52,950	52,950	(12,091)
Charges for Current Services	320,987		503,050	526,165	(205,178)
Other Local Revenues	21,080		5,450	61,467	(40,387)
Fees Received From County Officials	367,297		337,000	337,000	30,297
State of Tennessee	1,136,915		1,932,603	1,677,142	(540,227)
Federal Government	845,530		649,930	1,031,120	(185,590)
Other Governments and Citizens Groups	270,435		162,323	270,640	(205)
Total Revenues	\$ 6,645,965	\$	7,389,931	\$ 7,703,109	\$ (1,057,144)
Expenditures					
General Government					
County Commission	\$ 58,923	\$	61,000	\$ 71,022	\$ 12,099
Board of Equalization	1,050		1,300	1,300	250
Beer Board	96		300	300	204
County Mayor/Executive	179,266		178,080	180,185	919
County Attorney	10,854		10,000	10,854	0
Election Commission	259,928		186,942	281,992	22,064
Register of Deeds	114,487		117,958	118,158	3,671
County Buildings	313,547		285,300	318,971	5,424
Finance					
Property Assessor's Office	121,022		131,516	131,816	10,794
County Trustee's Office	24,488		30,500	30,500	6,012
County Clerk's Office	155,060		151,549	156,149	1,089
Administration of Justice					
Circuit Court	157,024		183,216	183,516	26,492
General Sessions Court	89,712		88,858	89,712	0
Chancery Court	114,008		118,387	118,587	4,579
Juvenile Court	11,119		20,375	20,375	9,256
Judicial Commissioners	13,538		14,088	14,188	650
Public Safety					
Sheriff's Department	1,123,031		1,143,502	1,174,776	51,745
Drug Enforcement	50,000		50,000	50,000	0
Jail	683,390		920,516	923,983	240,593
Correctional Incentive Program Improvements	670		5,340	5,340	4,670
Juvenile Services	262,201		225,000	338,886	76,685
Fire Prevention and Control	47,175		40,384	47,776	601
Rescue Squad	2,500		2,500	2,500	0
Other Emergency Management	69,816		94,290	94,290	24,474
County Coroner/Medical Examiner	12,809		41,304	41,304	28,495
Other Public Safety	52,438		70,000	63,536	11,098

(Continued)

CLAY 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	
Expenditures (Cont.)				
Public Health and Welfare				
Local Health Center	\$ 130,134	\$ 453,700	\$ 453,700	\$ 323,566
Ambulance/Emergency Medical Services	820,979	956,156	1,022,552	201,573
Alcohol and Drug Programs	299,974	339,403	352,841	52,867
Appropriation to State	10,720	10,720	10,720	0
Other Public Health and Welfare	119,406	158,231	158,231	38,825
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	111,887	85,920	115,351	3,464
Libraries	86,331	100,934	101,370	15,039
Parks and Fair Boards	53,666	48,700	55,700	2,034
Other Social, Cultural, and Recreational	10,058	15,000	15,000	4,942
Agriculture and Natural Resources				
Agricultural Extension Service	87,186	107,864	107,864	20,678
Forest Service	1,000	1,000	1,000	0
Soil Conservation	61,816	62,079	62,479	663
Other Operations				
Tourism	59,777	280,814	288,364	228,587
Industrial Development	43,146	45,960	48,255	5,109
Other Economic and Community Development	0	4,000	4,000	4,000
Veterans' Services	23,349	27,264	28,164	4,815
Other Charges	354,518	346,987	357,782	3,264
Employee Benefits	551,248	463,250	557,280	6,032
Highways				
Litter and Trash Collection	24,177	35,127	35,327	11,150
Total Expenditures	\$ 6,777,524	\$ 7,715,314	\$ 8,245,996	\$ 1,468,472
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (131,559)	\$ (325,383)	\$ (542,887)	\$ 411,328
Other Financing Sources (Uses)				
Transfers In	\$ 38,071	\$ 0	\$ 30,322	\$ 7,749
Transfers Out	(2,900)	0	(2,900)	0
Total Other Financing Sources	\$ 35,171	\$ 0	\$ 27,422	\$ 7,749
Net Change in Fund Balance	\$ (96,388)	\$ (325,383)	\$ (515,465)	\$ 419,077
Fund Balance, July 1, 2023	3,235,740	4,460,028	4,460,028	(1,224,288)
Fund Balance, June 30, 2024	\$ 3,139,352	\$ 4,134,645	\$ 3,944,563	\$ (805,211)

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

CLAY COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**

Solid Waste/Sanitation Fund

For the Year Ended June 30, 2024

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 542,125	\$ 529,029	\$ 529,029	\$ 13,096
Charges for Current Services	79,204	66,500	66,500	12,704
Other Local Revenues	35,585	30,100	30,100	5,485
State of Tennessee	65,916	59,875	59,875	6,041
Total Revenues	<u>\$ 722,830</u>	<u>\$ 685,504</u>	<u>\$ 685,504</u>	<u>\$ 37,326</u>
Expenditures				
Public Health and Welfare				
Waste Pickup	\$ 735,393	\$ 761,089	\$ 763,989	\$ 28,596
Other Operations				
Other Charges	11,936	11,500	12,000	64
Total Expenditures	<u>\$ 747,329</u>	<u>\$ 772,589</u>	<u>\$ 775,989</u>	<u>\$ 28,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (24,499)</u>	<u>\$ (87,085)</u>	<u>\$ (90,485)</u>	<u>\$ 65,986</u>
Other Financing Sources (Uses)				
Transfers In	\$ 2,900	\$ 0	\$ 2,900	\$ 0
Total Other Financing Sources	<u>\$ 2,900</u>	<u>\$ 0</u>	<u>\$ 2,900</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (21,599)	\$ (87,085)	\$ (87,585)	\$ 65,986
Fund Balance, July 1, 2023	<u>1,094,471</u>	<u>1,067,167</u>	<u>1,067,167</u>	<u>27,304</u>
Fund Balance, June 30, 2024	<u><u>\$ 1,072,872</u></u>	<u><u>\$ 980,082</u></u>	<u><u>\$ 979,582</u></u>	<u><u>\$ 93,290</u></u>

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

CLAY COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes****in Fund Balance - Actual and Budget**

Other Special Revenue Fund

For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 13	\$ 2,000	\$ 2,000	\$ (1,987)
Federal Government	14,100	0	1,331,861	(1,317,761)
Total Revenues	<u>\$ 14,113</u>	<u>\$ 2,000</u>	<u>\$ 1,333,861</u>	<u>\$ (1,319,748)</u>
Expenditures				
General Government				
County Buildings	\$ 250,275	\$ 0	\$ 1,262,033	\$ 1,011,758
Total Expenditures	<u>\$ 250,275</u>	<u>\$ 0</u>	<u>\$ 1,262,033</u>	<u>\$ 1,011,758</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (236,162)</u>	<u>\$ 2,000</u>	<u>\$ 71,828</u>	<u>\$ (307,990)</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (38,071)	\$ 0	\$ (38,071)	\$ 0
Total Other Financing Sources	<u>\$ (38,071)</u>	<u>\$ 0</u>	<u>\$ (38,071)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (274,233)	\$ 2,000	\$ 33,757	\$ (307,990)
Fund Balance, July 1, 2023	<u>1,174,665</u>	<u>961,790</u>	<u>961,790</u>	<u>212,875</u>
Fund Balance, June 30, 2024	<u><u>\$ 900,432</u></u>	<u><u>\$ 963,790</u></u>	<u><u>\$ 995,547</u></u>	<u><u>\$ (95,115)</u></u>

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

CLAY COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes****in Fund Balance - Actual and Budget**

Highway/Public Works Fund

For the Year Ended June 30, 2024

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 3,606	\$ 4,000	\$ 4,000	\$ (394)
Other Local Revenues	7,542	0	0	7,542
State of Tennessee	2,764,180	2,009,844	2,819,102	(54,922)
Total Revenues	<u>\$ 2,775,328</u>	<u>\$ 2,013,844</u>	<u>\$ 2,823,102</u>	<u>\$ (47,774)</u>
Expenditures				
Highways				
Administration	\$ 193,799	\$ 197,046	\$ 197,046	\$ 3,247
Highway and Bridge Maintenance	2,570,047	1,289,300	2,658,336	88,289
Operation and Maintenance of Equipment	261,124	387,500	387,500	126,376
Other Charges	147,719	140,024	150,433	2,714
Employee Benefits	184,799	188,690	193,890	9,091
Capital Outlay	581,214	483,618	586,455	5,241
Total Expenditures	<u>\$ 3,938,702</u>	<u>\$ 2,686,178</u>	<u>\$ 4,173,660</u>	<u>\$ 234,958</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,163,374)</u>	<u>\$ (672,334)</u>	<u>\$ (1,350,558)</u>	<u>\$ 187,184</u>
Net Change in Fund Balance	\$ (1,163,374)	(672,334)	(1,350,558)	187,184
Fund Balance, July 1, 2023	<u>2,395,819</u>	<u>2,395,743</u>	<u>2,395,743</u>	<u>76</u>
Fund Balance, June 30, 2024	<u>\$ 1,232,445</u>	<u>\$ 1,723,409</u>	<u>\$ 1,045,185</u>	<u>\$ 187,260</u>

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

CLAY COUNTY, TENNESSEE**Statement of Net Position**

Fiduciary Funds

June 30, 2024

	Custodial Funds
ASSETS	
Cash	\$ 958,840
Due from Other Governments	90,196
Total Assets	\$ 1,049,036
LIABILITIES	
Due to Other Taxing Units	\$ 90,196
Total Liabilities	\$ 90,196
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	\$ 958,840
Total Net Position	\$ 958,840

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

CLAY COUNTY, TENNESSEE
Statement of Changes in Net Position
 Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 495,379
Fines/Fees and Other Collections	2,821,578
Total Additions	\$ 3,316,957
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 495,379
Payments to State	1,543,572
Payments to Cities, Individuals, and Others	1,178,266
Total Deductions	\$ 3,217,217
Net Increase (Decrease) in Fiduciary in Net Position	\$ 99,740
Net Position, July 1, 2023	859,100
Net Position, June 30, 2024	\$ 958,840

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

CLAY COUNTY, TENNESSEE

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CLAY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clay 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 Clay County:

A. *Reporting Entity*

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

The Clay 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 Clay County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Offices:

Clay County Emergency Communications District
400 West Lake Avenue
Celina, TN 38551

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 the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Clay County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Clay 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.

Clay County issues all debt for the discretely presented Clay County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2024.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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 Clay 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 outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Clay County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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. Clay 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, including lease obligations, are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Clay 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 Clay County’s solid waste. Local taxes and general service charges are the foundational revenues of this fund.

Other Special Revenue Fund – This fund accounts for transactions related to the American Rescue Plan Act funding.

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.

Additionally, Clay County reports the following fund type:

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

The discretely presented Clay 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.

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 24) 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 23) 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.

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

1. Deposits and Investments

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 Clay 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. Clay 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. Clay 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 amounts in 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.

Ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.26 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 Clay 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 Clay County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Clay 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 column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	25 - 40
Infrastructure:	
Roads	20 - 75
Bridges	75
Other Capital Assets	5 -30

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 and assumptions; pension changes in investment earnings

and proportionate share; and employer contributions made to the pension plan 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 for current and delinquent property taxes; pension and OPEB changes in experience; pension changes in proportionate share; OPEB changes 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

The general policy of Clay County allows employees to accumulate up to 12 days of vacation and unlimited sick leave beyond year-end. There is no liability for accumulated unpaid sick leave since Clay County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the 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.

The general policy of the discretely presented Clay County School Department does not allow for the accumulation of vacation days beyond year-end. All professional personnel (teachers) of the school department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached, and therefore, is not required to be accrued or recorded. Accrued leave included on the government-wide statements is for accumulated compensatory time for central office personnel.

7. Long-term Debt and Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether 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 and other postemployment benefits, 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, equity is classified as net position and displayed in three components:

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

As of June 30, 2024, Clay County had \$2,750,000 in outstanding debt for capital purposes for the discretely presented Clay County School Department. This debt is a liability of Clay County, but the capital assets acquired are reported in the financial statements of the school department.

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 Clay County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Clay 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 Clay 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) Plan

Discretely Presented Clay 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 Clay 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 Clay County School Department

Exhibit I-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 Clay County School Department

Exhibit I-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. 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.

On June 30, 2024, the discretely presented Clay County School Department reported the following encumbrances:

Funds	Amount
School Department:	
Major Funds:	
General Purpose School	\$ 1,073,529
School Federal Projects	254,320
Nonmajor Fund:	
Central Cafeteria	100,000

B. Investigation

On September 11, 2024, the Comptroller's Division of Investigations issued an investigative report that disclosed the Clay County Road Superintendent misappropriated highway department-purchased diesel fuel for his personal transportation business. In relation to this report, the road superintendent was indicted on one count of theft of property and three counts of official misconduct. Details of the investigation are available on the Comptroller's website at www.comptroller.tn.gov/ia.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 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 and nonpooled investments as of June 30, 2024.

TCRS Stabilization Trust

Legal Provisions. The Clay 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 Clay 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, 2024, the Clay 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	\$ 51,246
Developed Market International Equity	N/A	N/A	23,143
Emerging Market International Equity	N/A	N/A	6,612
U.S. Fixed Income	N/A	N/A	33,062
Real Estate	N/A	N/A	16,531
Short-term Securities	N/A	N/A	1,653
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>33,062</u>
Total			<u>\$ 165,309</u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 103,800	\$ 0	\$ 0	\$ 103,800
Construction in Progress	285,299	0	0	285,299
Total Capital Assets Not Depreciated	\$ 389,099	\$ 0	\$ 0	\$ 389,099
Capital Assets Depreciated:				
Buildings and Improvements	\$ 3,692,306	\$ 0	\$ 0	\$ 3,692,306
Infrastructure	12,886,540	282,608	0	13,169,148
Other Capital Assets	4,493,564	1,212,316	(46,717)	5,659,163
Total Capital Assets Depreciated	\$ 21,072,410	\$ 1,494,924	\$ (46,717)	\$ 22,520,617
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,186,127	\$ 58,522	\$ 0	\$ 1,244,649
Infrastructure	3,475,599	119,467	0	3,595,066
Other Capital Assets	3,101,334	257,921	(46,717)	3,312,538
Total Accumulated Depreciation	\$ 7,763,060	\$ 435,910	\$ (46,717)	\$ 8,152,253
Total Capital Assets Depreciated, Net	\$ 13,309,350	\$ 1,059,014	\$ 0	\$ 14,368,364
Governmental Activities Capital Assets, Net	\$ 13,698,449	\$ 1,059,014	\$ 0	\$ 14,757,463

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

Governmental Activities:

General Government	\$ 5,246
Public Safety	99,061
Public Health and Welfare	123,788
Social, Cultural, and Recreational	11,684
Agriculture and Natural Resources	1,673
Highways/Public Works	<u>194,458</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 435,910</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 14,757,463
Add:	
Outstanding principal of school-related debt	2,750,000
Less:	
Outstanding principal of capital debt and other capital borrowings	<u>(2,750,000)</u>
Net Investment in Capital Assets	<u><u>\$ 14,757,463</u></u>

Discretely Presented Clay County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 298,098	\$ 0	\$ 0	\$ 298,098
Construction in Progress	1,820,887	445,707	(1,820,887)	445,707
Total Capital Assets Not Depreciated	<u>\$ 2,118,985</u>	<u>\$ 445,707</u>	<u>\$ (1,820,887)</u>	<u>\$ 743,805</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,920,612	\$ 2,312,212	\$ 0	\$ 14,232,824
Infrastructure	648,860	0	0	648,860
Other Capital Assets	2,562,206	184,655	(39,447)	2,707,414
Total Capital Assets Depreciated	<u>\$ 15,131,678</u>	<u>\$ 2,496,867</u>	<u>\$ (39,447)</u>	<u>\$ 17,589,098</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$ 6,619,769	\$ 318,283	\$ 0	\$ 6,938,052
Infrastructure	470,398	7,393	0	477,791
Other Capital Assets	1,430,815	144,720	(19,196)	1,556,339
Total Accumulated Depreciation	<u>\$ 8,520,982</u>	<u>\$ 470,396</u>	<u>\$ (19,196)</u>	<u>\$ 8,972,182</u>
Total Capital Assets Depreciated, Net	<u>\$ 6,610,696</u>	<u>\$ 2,026,471</u>	<u>\$ (20,251)</u>	<u>\$ 8,616,916</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,729,681</u>	<u>\$ 2,472,178</u>	<u>\$ (1,841,138)</u>	<u>\$ 9,360,721</u>

Depreciation expense was charged to functions of the school department as follows:

Governmental Activities:

Instruction	\$ 339,966
Support Services	115,223
Operation of Non-instructional Services	<u>15,207</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 470,396</u>

C. Construction Commitments

On June 30, 2024, the county had construction in progress of approximately \$285,299 for survey and design expenditures for a new jail. The construction contracts have not been bid for this project as of

June 30, 2024. The county plans to fund these future expenditures through the issuance of general obligation bonds.

On June 30, 2024, the discretely presented Clay County School Department had uncompleted construction contracts of approximately \$374,247 for kitchen renovations. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 2,288
Solid Waste/Sanitation	General	25,000

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
Governmental Activities	School Department	
	Governmental Activities	\$ 2,750,000

The Due to Primary Government of \$2,750,000 is the balance of bonds issued by the county for the school department. The school department has agreed to contribute the funds annually to retire these bonds. These long-term obligations are reflected in the governmental activities on the Statement of Net Position.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2024, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Fund	Solid Waste/ Sanitation Fund	
General Fund	\$ 0	\$ 2,900	Operations
Other Special Revenue Fund	38,071	0	Capital Outlay
Total	<u>\$ 38,071</u>	<u>\$ 2,900</u>	

Discretely Presented Clay County School Department

Transfer Out	Transfer In		Purpose
	General Purpose School Fund		
School Federal Projects Fund	\$ 15,051		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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long Term Debt

Primary Government

General Obligation Bonds

General Obligation Bonds - Clay County issued general obligation bonds to refund other loans. 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 13 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, 2024, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2024, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
General Obligation Bonds	3 %	6-1-31	\$ 4,660,000	\$ 2,750,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2024, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 360,000	\$ 82,500	\$ 442,500
2026	370,000	71,700	441,700
2027	380,000	60,600	440,600
2028	390,000	49,200	439,200
2029	405,000	37,500	442,500
2030-2031	845,000	38,250	883,250
Total	\$ 2,750,000	\$ 339,750	\$ 3,089,750

There is \$3,303,253 available in the county's General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$363, based on the 2020 federal census.

The school department is currently contributing funds to service the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the school department and as Due from Component Units in the financial statements of the primary government.

Description of Debt	Outstanding 6-30-24
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Bonds Payable:

Contributions from General Purpose School Fund:

General Obligation School Bonds, Series 2018	\$ 2,750,000
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Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	<u>Bonds</u>
Balance, July 1, 2023	\$ 3,100,000
Reductions	<u>(350,000)</u>
Balance, June 30, 2024	<u><u>\$ 2,750,000</u></u>
Balance Due Within One Year	<u><u>\$ 360,000</u></u>
Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:	
Total Noncurrent Liabilities - Debt - June 30, 2024	\$ 2,750,000
Less: Balance Due Within One Year - Debt	<u>(360,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 2,390,000</u></u>

F. *Long Term Obligations*

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2023	\$ 106,688
Additions	45,749
Reductions	<u>(93,977)</u>
Balance, June 30, 2024	<u><u>\$ 58,460</u></u>
Balance Due Within One Year	<u><u>\$ 43,845</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other - June 30, 2024	\$ 58,460
Less: Balance Due Within One Year - Other	<u>(43,845)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 14,615</u></u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Fund.

Discretely Presented Clay County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Clay County School Department for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2023	\$ 5,700	\$ 907,835
Additions	6,181	178,008
Reductions	<u>(7,670)</u>	<u>(67,800)</u>
Balance, June 30, 2024	<u><u>\$ 4,211</u></u>	<u><u>\$ 1,018,043</u></u>
Balance Due Within One Year	<u><u>\$ 4,211</u></u>	<u><u>\$ 8,843</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other - June 30, 2024	\$ 1,022,254
Less: Balance Due Within One Year - Other	<u>(13,054)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 1,009,200</u></u>

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

V. OTHER INFORMATION

A. *Risk Management*

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. During 2024, the county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it 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.

Clay County participates in the Local Government Workers' Compensation Fund (LGWCF), 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 LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

Clay County provides commercial health insurance for its employees.

Discretely Presented Clay County School Department

The school department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The school department pays an annual premium to the TN-RMT for its general liability, property, and casualty insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The school department provides commercial health insurance for its employees.

B. *Accounting Change*

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the fiscal year ending June 30, 2024. This statement clarifies the financial accounting and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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.

According to the county and the school department attorneys there are no current or potential claims against the county not covered by insurance.

D. Change in Administration

On October 2, 2023, Angie Thompson was appointed to the Office of Trustee by the county commission to fulfill the unexpired term of Charlie Key who passed away on September 14, 2023.

E. Joint Venture

The Thirteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Thirteenth Judicial District, Clay, Cumberland, DeKalb, Overton, Pickett, Putnam, and White counties, and participating municipalities within the district. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Clay County did not make appropriations to the DTF for the year ended June 30, 2024. Clay County does not have an equity interest in the DTF. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Thirteenth Judicial District Drug Task Force
1289 S. Walnut Ave.
Cookeville, TN 38501

F. Jointly Governed Organization

The Joint Industrial Development Board of Celina and Clay County is a corporate entity formed in 1997 to promote local industry development for the benefit of the residents of Celina and Clay County. Clay County is responsible for appointing four of the organization's board members, and the town of Celina is responsible for appointing three members. Clay County's accountability for this organization does not extend beyond making the appointments.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Clay County and non-certified employees of the discretely presented Clay 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 67.68 percent, the non-certified employees of the discretely presented school department comprise 32.32 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 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	89
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	186
Active Employees	171
Total	<u><u>446</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Clay 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, 2024, the employer contribution for Clay County was \$394,061 based on a rate of 7.19 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Clay 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)

Clay County's net pension liability (asset) was measured as of June 30, 2023, 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, 2023, 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, 2023, 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 Clay County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 12,525,797	\$ 12,999,472	\$ (473,675)
Changes for the Year:			
Service Cost	\$ 425,460	\$ 0	\$ 425,460
Interest	860,046	0	860,046
Differences Between Expected and Actual Experience	527,042	0	527,042
Contributions-Employer	0	327,587	(327,587)
Contributions-Employees	0	227,809	(227,809)
Net Investment Income	0	877,859	(877,859)
Benefit Payments, Including Refunds of Employee Contributions	(419,667)	(419,667)	0
Administrative Expense	0	(15,189)	15,189
Net Changes	\$ 1,392,881	\$ 998,399	\$ 394,482
Balance, June 30, 2023	\$ 13,918,678	\$ 13,997,871	\$ (79,193)

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

			Total Pension Liability		Plan Fiduciary Net Position		Net Pension Liability (Asset)
Primary Government	67.68%	\$	9,420,161	\$	9,473,759	\$	(53,598)
School Department	32.32%		4,498,517		4,524,112		(25,595)
Total		\$	13,918,678	\$	13,997,871	\$	(79,193)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Clay 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 percent) or one percentage point higher (7.75 percent) than the current rate:

		1% Decrease	Current Discount Rate	1% Increase
Clay County		5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$	1,915,244	\$ (79,193)	\$ (1,715,832)

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, 2024, Clay County recognized (negative pension expense) of \$383,236.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, Clay County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 421,634	\$ 189,395
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	104,900	0
Changes in Assumptions	469,933	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	394,061	N/A
Total	<u>\$ 1,390,528</u>	<u>\$ 189,395</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” 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	\$ 942,493	\$ 128,183
School Department	448,035	61,212
Total	<u>\$ 1,390,528</u>	<u>\$ 189,395</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
2025	\$ 199,169
2026	152,186
2027	349,578
2028	106,143
2029	0
Thereafter	0

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

Discretely Presented Clay County School Department - Non-certified Employees

General Information About the Pension Plans

Plan Description. As noted above under the primary government, employees of Clay County and non-certified employees of the discretely presented Clay 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 67.68 percent and the non-certified employees of the discretely presented school department comprise 32.32 percent of the plan based on contribution data.

Discretely Presented Clay County School Department - Certified Employees - Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Clay 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 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, 2024, to the Teacher Retirement Plan were \$58,547, which is 2.95 percent of covered payroll. In addition, employer contributions of \$20,326, which is 1.05 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2024, the school department reported a liability (asset) of (\$37,797) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .089136 percent. The proportion as of June 30, 2022, was .091373 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$48,068.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,273	\$ 22,061
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	9,610	0
Changes in Assumptions	28,436	0
Changes in Proportion of Net Pension Liability (Asset)	9,836	8,953
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	58,547	N/A
Total	<u>\$ 107,702</u>	<u>\$ 31,014</u>

The school department's employer contributions of \$58,547 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, 2025. 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
2025	\$ 58
2026	(1,341)
2027	13,483
2028	915
2029	974
Thereafter	4,053

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, 2023, 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, 2023, 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 percent) or one percentage point higher (7.75 percent) 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%
Net Pension Liability (Asset)	\$ 173,864	\$ (37,797)	\$ (190,175)

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

Discretely Presented Clay County School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Clay 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 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 Clay County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$276,839, which is 6.81 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). On June 30, 2024, the school department reported a liability (asset) of (\$1,467,640) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .124485 percent. The proportion measured at June 30, 2022, was .118658 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$329,405.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 349,667	\$ 68,108
Changes in Assumptions	478,197	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	254,643	0
Changes in Proportion of Net Pension Liability (Asset)	0	104,528
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	276,839	N/A
Total	<u>\$ 1,359,346</u>	<u>\$ 172,636</u>

The school department's employer contributions of \$276,839 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, 2025. 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
2025	\$ 305,289
2026	(236,658)
2027	839,245
2028	1,995
2029	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, 2023, 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 actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2023, 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	4.88	31
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 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 percent) or one percentage point higher (7.75 percent) 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%
Net Pension Liability (Asset)	\$ 3,196,623	\$ (1,467,640)	\$ (5,346,992)

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 discretely presented Clay County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. Section 403(b) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) 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 \$119,563 and teachers contributed \$112,820 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

The discretely presented Clay County School Department provides OPEB benefits to its employees through a commercial insurance plan.

Commercial Postemployment Benefits Plan

Plan Description. The school department participates in a commercial postemployment benefits plan administered by Blue Cross Blue Shield for its retirees and their covered dependents. Employees are eligible for OPEB benefits if they retire at any age with at least 30 years of service or if they are over the age 60 and have at least five years of service. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the Board of Education. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

Benefits Provided. The plan provides healthcare, dental, vision, and life insurance benefits to retirees and their dependents.

The benefit terms provide for the school department to pay a percentage of the certified retirees healthcare costs depending on years of service with the school department. The school department pays 45 percent of the healthcare cost for employees with over 30 years of service, 35 percent for employees with 20-29 years of service, and 25 percent for employees with less than 20 years of service. Non-certified employees are required to pay 100 percent of the healthcare premium. Both certified and non-certified employees are eligible to participate in the healthcare plan until they reach age 65. Surviving spouses of eligible retirees may be able to continue coverage until they reach Medicare eligibility.

The benefit terms provide for eligible retirees to receive vision and dental benefits for life by paying 100 percent of the premium cost.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees/Beneficiaries Currently Receiving Benefit Payments	8
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefits	<u>94</u>
Total	<u><u>102</u></u>

Total OPEB Liability

The school department's total OPEB liability of \$1,018,043 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Discount Rate	4.21%
Healthcare Cost Trend Rates	4.5%
Retirees share of	
Benefit-related Cost	45% to 100% depending on years of service and employee classification

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on RHP-2014 Total Table with Projection MP-2021.

The actuarial assumptions used in the June 30, 2024, valuation were based on plan data and costs presented by the school department with concurrence by the actuary.

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

	Total OPEB Liability
Balance July 1, 2023	\$ 907,835
Changes for the Year:	
Service Cost	\$ 31,839
Interest	37,540
Difference between Expected and Actual Experience	108,629
Changes in Assumption and Other Inputs	(6,382)
Benefit Payments	(61,418)
Net Changes	\$ 110,208
Balance June 30, 2024	\$ 1,018,043

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized OPEB expense of \$8,843. At June 30, 2024, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 94,929	\$ 131,671
Changes of Assumptions and Other Inputs	17,928	206,273
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2024	0	0
Total	<u>\$ 112,857</u>	<u>\$ 337,944</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
2025	\$ (60,536)
2026	(58,987)
2027	(48,640)
2028	(49,299)
2029	(19,219)
Thereafter	11,594

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 school department calculated using the discount rate of 4.21 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (3.21%) or one percentage point higher (5.21%) than the current rate:

<u>Discount Rate</u>	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
Total OPEB Liability	\$ 1,100,664	\$ 1,018,043	\$ 941,672

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the school department calculated using the healthcare cost trend rate of 4.5 percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (3.5%) or one percentage point higher (5.5%) than the current rate:

<u>Healthcare Cost Trend Rate</u>	Current		
	1%	Trend	1%
	Decrease	Rate	Increase
	3.5%	4.5%	5.5%
Total OPEB Liability	\$ 923,059	\$ 1,018,043	\$ 1,128,368

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 all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Road Superintendent

Chapter 565, Private Acts of 1951, as amended, and Section 54-7-113, *TCA* (Uniform Road Law), govern purchasing procedures for the highway department. Provisions of the Uniform Road Law require all purchases exceeding \$25,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Clay County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. Furthermore, the Board of Education adopted the provisions of Section 12-3-1212, *TCA*, on May 18, 2023. This statute requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

CLAY 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	2023
Total Pension Liability										
Service Cost	\$ 250,001	\$ 285,817	\$ 288,245	\$ 283,956	\$ 301,295	\$ 309,901	\$ 316,257	\$ 337,170	\$ 413,852	\$ 425,460
Interest	547,223	580,662	618,024	639,352	660,048	687,238	726,314	771,509	829,244	860,046
Differences Between Actual and Expected Experience	(48,484)	23,293	(215,363)	(206,343)	(151,464)	(17,454)	(3,246)	(132,389)	(226,316)	527,042
Changes in Assumptions	0	0	0	244,394	0	0	0	1,174,834	0	0
Benefit Payments, Including Refunds of Employee Contributions	(317,800)	(359,622)	(428,444)	(376,061)	(422,492)	(464,406)	(429,729)	(443,992)	(724,440)	(419,667)
Net Change in Total Pension Liability	\$ 430,940	\$ 530,150	\$ 262,462	\$ 585,298	\$ 387,387	\$ 515,279	\$ 609,596	\$ 1,707,132	\$ 292,340	\$ 1,392,881
Total Pension Liability, Beginning	7,205,213	7,636,153	8,166,303	8,428,765	9,014,063	9,401,450	9,916,729	10,526,325	12,233,457	12,525,797
Total Pension Liability, Ending (a)	\$ 7,636,153	\$ 8,166,303	\$ 8,428,765	\$ 9,014,063	\$ 9,401,450	\$ 9,916,729	\$ 10,526,325	\$ 12,233,457	\$ 12,525,797	\$ 13,918,678
Plan Fiduciary Net Position										
Contributions - Employer	\$ 247,061	\$ 249,053	\$ 243,631	\$ 248,962	\$ 253,290	\$ 262,937	\$ 277,398	\$ 284,131	\$ 285,184	\$ 327,587
Contributions - Employee	173,950	175,737	170,013	173,131	176,140	183,842	192,907	197,588	198,481	227,809
Net Investment Income	1,065,682	233,484	207,931	911,342	743,487	720,862	515,864	2,822,702	(522,167)	877,859
Benefit Payments, Including Refunds of Employee Contributions	(317,800)	(359,622)	(428,444)	(376,061)	(422,492)	(464,406)	(429,729)	(443,992)	(724,440)	(419,667)
Administrative Expense	0	0	0	(12,605)	(14,338)	(13,554)	(12,998)	(13,590)	(14,379)	(15,189)
Other	(5,772)	(8,179)	(11,688)	6	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,163,121	\$ 290,473	\$ 181,443	\$ 944,775	\$ 736,087	\$ 689,681	\$ 543,442	\$ 2,846,839	\$ (777,321)	\$ 998,399
Plan Fiduciary Net Position, Beginning	6,380,932	7,544,053	7,834,526	8,015,969	8,960,744	9,696,831	10,386,512	10,929,954	13,776,793	12,999,472
Plan Fiduciary Net Position, Ending (b)	\$ 7,544,053	\$ 7,834,526	\$ 8,015,969	\$ 8,960,744	\$ 9,696,831	\$ 10,386,512	\$ 10,929,954	\$ 13,776,793	\$ 12,999,472	\$ 13,997,871
Net Pension Liability (Asset), Ending (a - b)	\$ 92,100	\$ 331,777	\$ 412,796	\$ 53,319	\$ (295,381)	\$ (469,783)	\$ (403,629)	\$ (1,543,336)	\$ (473,675)	\$ (79,193)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.79%	95.94%	95.10%	99.41%	103.14%	104.74%	103.83%	112.62%	103.78%	100.57%
Covered Payroll	\$ 3,421,710	\$ 3,463,875	\$ 3,388,256	\$ 3,462,610	\$ 3,522,792	\$ 3,656,977	\$ 3,858,106	\$ 3,951,754	\$ 3,966,391	\$ 4,556,146
Net Pension Liability (Asset) as a Percentage of Covered Payroll	2.69%	9.58%	12.18%	1.54%	8.38%	(12.85)%	(10.46)%	(39.05)%	(11.94)%	(1.74)%

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.

CLAY 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 249,053	\$ 243,631	\$ 248,962	\$ 253,290	\$ 262,937	\$ 256,564	\$ 262,396	\$ 167,778	\$ 301,162	\$ 394,061
Less: Contributions in Relation to the Actuarially Determined Contribution	(249,053)	(243,631)	(248,962)	(253,290)	(262,937)	(277,398)	(284,131)	(285,184)	(327,587)	(394,061)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (20,834)	\$ (21,735)	\$ (117,406)	\$ (26,425)	\$ 0
Covered Payroll	\$ 3,462,875	\$ 3,388,526	\$ 3,462,610	\$ 3,522,792	\$ 3,656,977	\$ 3,858,106	\$ 3,951,754	\$ 3,966,391	\$ 4,556,146	\$ 5,480,679
Contributions as a Percentage of Covered Payroll	7.19%	7.19%	7.19%	7.19%	7.19%	7.19%	7.19%	7.19%	7.19%	7.19%

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.

CLAY COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Retirement Plan of TCRS**

Discretely Presented Clay County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 8,526	\$ 15,753	\$ 22,262	\$ 28,054	\$ 18,036	\$ 22,098	\$ 30,329	\$ 31,363	\$ 50,884	\$ 58,547
Less: Contributions in Relation to the Contractually Required Contribution	(8,526)	(15,753)	(22,262)	(28,054)	(18,036)	(22,098)	(30,329)	(31,363)	(50,884)	(58,547)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 213,156	\$ 393,835	\$ 556,552	\$ 705,336	\$ 929,666	\$ 1,088,565	\$ 1,501,420	\$ 1,560,359	\$ 1,772,969	\$ 1,984,646
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	3.98%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%

Note: 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%

2024: Pension - 2.95%, SRT - 1.05%

CLAY COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Legacy Pension Plan of TCRS**

Discretely Presented Clay County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 368,885	\$ 345,024	\$ 353,013	\$ 358,448	\$ 394,262	\$ 398,111	\$ 396,722	\$ 402,211	\$ 351,040	\$ 276,839
Less: Contributions in Relation to the Contractually Required Contribution	(368,885)	(345,024)	(353,013)	(358,448)	(394,262)	(398,111)	(396,722)	(402,211)	(351,040)	(276,839)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 4,080,585	\$ 3,816,643	\$ 3,905,011	\$ 3,947,662	\$ 3,769,224	\$ 3,745,166	\$ 3,862,919	\$ 3,904,956	\$ 4,039,577	\$ 4,065,176
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

CLAY COUNTY, TENNESSEE**Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS**

Discretely Presented Clay County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.100474%	0.089507%	0.084797%	0.080257%	0.087854%	0.086262%	0.104035%	0.091373%	0.089136%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,127	\$ (9,318)	\$ (22,371)	\$ (36,399)	\$ (49,592)	\$ (49,052)	\$ (112,692)	\$ (27,679)	\$ (37,797)
Covered Payroll	\$ 213,156	\$ 393,835	\$ 556,552	\$ 705,336	\$ 929,666	\$ 1,088,565	\$ 1,501,420	\$ 1,560,359	\$ 1,772,969
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.94%	(2.37)%	(4.02)%	(5.16)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%	(2.13)%
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%	104.97%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.105028%	0.109005%	0.105730%	0.110469%	0.112736%	0.112409%	0.112526%	0.117694%	0.118658%	0.124485%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (17,067)	\$ 44,652	\$ 660,754	\$ (36,144)	\$ (396,710)	\$ (1,155,766)	\$ (858,096)	\$ (5,076,433)	\$ (1,455,227)	\$ (1,467,640)
Covered Payroll	\$ 4,122,328	\$ 4,080,585	\$ 3,816,643	\$ 3,905,011	\$ 3,947,662	\$ 3,769,224	\$ 3,745,166	\$ 3,862,919	\$ 3,904,956	\$ 4,039,577
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.93)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%	(36.33)%
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%	104.11%

CLAY COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios -****Clay County School Department Plan - Commercial Plan**

Discretely Presented Clay County School Department

For the Fiscal Year Ended June 30

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Cost	\$ 32,302	\$ 33,555	\$ 43,463	\$ 54,140	\$ 49,178	\$ 35,680	\$ 31,839
Interest	55,723	53,426	46,338	29,533	24,086	34,316	37,540
Differences Between Actual and Expected Experience	0	6,401	(66,899)	(112,631)	(47,923)	(28,140)	108,629
Changes in Assumptions or Other Inputs	0	(86,991)	49,833	(144,082)	(118,466)	(45,613)	(6,382)
Benefit Payments	(113,629)	(116,218)	(89,478)	(52,578)	(33,924)	(44,228)	(61,418)
Net Change in Total OPEB Liability	\$ (25,604)	\$ (109,827)	\$ (16,743)	\$ (225,618)	\$ (127,049)	\$ (47,985)	\$ 110,208
Total OPEB Liability, Beginning	1,460,661	1,435,057	1,325,230	1,308,487	1,082,869	955,820	907,835
Total OPEB Liability, Ending	<u>\$ 1,435,057</u>	<u>\$ 1,325,230</u>	<u>\$ 1,308,487</u>	<u>\$ 1,082,869</u>	<u>\$ 955,820</u>	<u>\$ 907,835</u>	<u>\$ 1,018,043</u>
Covered Employee Payroll	\$ 3,810,347	\$ 3,631,433	\$ 3,791,790	\$ 3,924,076	\$ 3,935,147	\$ 3,874,495	\$ 3,700,273
Total OPEB Liability as a percentage of covered employee payroll	37.66%	36.49%	34.51%	27.60%	24.29%	23.43%	27.51%

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:

2018	3.58%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%
2023	4.13%
2024	4.21%

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

- For the 2019 plan year - rate was 5.5%
- For the 2020 plan year - from 5.5% to 5.0%
- For the 2021 plan year - from 5.0 to 4.5%
- For the 2022 plan year - rate was 4.5%
- For the 2023 plan year - rate was 4.5%
- For the 2024 plan year - rate was 4.5%

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

CLAY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Early 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 Adjustment	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 and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance of the courthouse and jail.

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

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

CLAY COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

ASSETS

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

Total Assets

LIABILITIES

Due to Other Funds
Total Liabilities

FUND BALANCES

Restricted:
 Restricted for General Government
 Restricted for Public Safety
 Restricted for Capital Outlay
Committed:
 Committed for Finance
Total Fund Balances

Total Liabilities and Fund Balances

Special Revenue Funds			Total Nonmajor Governmental Funds
Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	
\$ 0	\$ 0	\$ 25,618	\$ 25,618
223,106	92,709	0	315,815
0	0	968	968
10,800	0	0	10,800
\$ 233,906	\$ 92,709	\$ 26,586	\$ 353,201
\$ 0	\$ 0	\$ 2,288	\$ 2,288
\$ 0	\$ 0	\$ 2,288	\$ 2,288
\$ 201,253	\$ 0	\$ 0	\$ 201,253
0	92,709	0	92,709
32,653	0	0	32,653
0	0	24,298	24,298
\$ 233,906	\$ 92,709	\$ 24,298	\$ 350,913
\$ 233,906	\$ 92,709	\$ 26,586	\$ 353,201

CLAY COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Revenues				
Local Taxes	\$ 14,668	\$ 0	\$ 0	\$ 14,668
Fines, Forfeitures, and Penalties	0	3,129	0	3,129
Charges for Current Services	0	0	107,288	107,288
State of Tennessee	10,800	0	0	10,800
Other Governments and Citizens Groups	34,620	100	0	34,720
Total Revenues	<u>\$ 60,088</u>	<u>\$ 3,229</u>	<u>\$ 107,288</u>	<u>\$ 170,605</u>
Expenditures				
Current:				
General Government	\$ 79,111	\$ 0	\$ 0	\$ 79,111
Finance	0	0	107,326	107,326
Public Safety	0	40,147	0	40,147
Other Operations	514	33	0	547
Total Expenditures	<u>\$ 79,625</u>	<u>\$ 40,180</u>	<u>\$ 107,326</u>	<u>\$ 227,131</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (19,537)</u>	<u>\$ (36,951)</u>	<u>\$ (38)</u>	<u>\$ (56,526)</u>
Net Change in Fund Balances	\$ (19,537)	\$ (36,951)	\$ (38)	\$ (56,526)
Fund Balance, July 1, 2023	<u>253,443</u>	<u>129,660</u>	<u>24,336</u>	<u>407,439</u>
Fund Balance, June 30, 2024	<u>\$ 233,906</u>	<u>\$ 92,709</u>	<u>\$ 24,298</u>	<u>\$ 350,913</u>

CLAY 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, 2024

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 14,668	\$ 15,000	\$ 15,000	\$ (332)
State of Tennessee	10,800	0	0	10,800
Other Governments and Citizens Groups	34,620	500	21,520	13,100
Total Revenues	<u>\$ 60,088</u>	<u>\$ 15,500</u>	<u>\$ 36,520</u>	<u>\$ 23,568</u>
Expenditures				
General Government				
County Buildings	\$ 79,111	\$ 179,650	\$ 200,656	\$ 121,545
Other Operations				
Other Charges	514	500	514	0
Total Expenditures	<u>\$ 79,625</u>	<u>\$ 180,150</u>	<u>\$ 201,170</u>	<u>\$ 121,545</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (19,537)</u>	<u>\$ (164,650)</u>	<u>\$ (164,650)</u>	<u>\$ 145,113</u>
Net Change in Fund Balance	\$ (19,537)	\$ (164,650)	\$ (164,650)	\$ 145,113
Fund Balance, July 1, 2023	<u>253,443</u>	<u>253,443</u>	<u>253,443</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 233,906</u></u>	<u><u>\$ 88,793</u></u>	<u><u>\$ 88,793</u></u>	<u><u>\$ 145,113</u></u>

CLAY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 0	\$ 10	\$ 10	\$ (10)
Fines, Forfeitures, and Penalties	3,129	12,300	12,300	(9,171)
Other Governments and Citizens Groups	100	0	0	100
Total Revenues	<u>\$ 3,229</u>	<u>\$ 12,310</u>	<u>\$ 12,310</u>	<u>\$ (9,081)</u>
Expenditures				
Public Safety				
Drug Enforcement	\$ 40,147	\$ 78,000	\$ 78,000	\$ 37,853
Other Operations				
Other Charges	33	500	500	467
Total Expenditures	<u>\$ 40,180</u>	<u>\$ 78,500</u>	<u>\$ 78,500</u>	<u>\$ 38,320</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (36,951)</u>	<u>\$ (66,190)</u>	<u>\$ (66,190)</u>	<u>\$ 29,239</u>
Net Change in Fund Balance	\$ (36,951)	\$ (66,190)	\$ (66,190)	29,239
Fund Balance, July 1, 2023	<u>129,660</u>	<u>129,661</u>	<u>129,661</u>	<u>(1)</u>
Fund Balance, June 30, 2024	<u><u>\$ 92,709</u></u>	<u><u>\$ 63,471</u></u>	<u><u>\$ 63,471</u></u>	<u><u>\$ 29,238</u></u>

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.

CLAY COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2024

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
Revenues					
Local Taxes	\$ 428,438	\$	408,211	\$ 408,211	\$ 20,227
Other Local Revenues	88,728		55,000	55,000	33,728
Other Governments and Citizens Groups	443,450		0	443,450	0
Total Revenues	<u>\$ 960,616</u>	<u>\$</u>	<u>463,211</u>	<u>\$ 906,661</u>	<u>\$ 53,955</u>
Expenditures					
Principal on Debt					
Education	\$ 350,000	\$	0	\$ 350,000	\$ 0
Interest on Debt					
Education	93,000		0	93,000	0
Other Debt Service					
General Government	6,727		7,500	7,500	773
Education	450		0	450	0
Total Expenditures	<u>\$ 450,177</u>	<u>\$</u>	<u>7,500</u>	<u>\$ 450,950</u>	<u>\$ 773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 510,439</u>	<u>\$</u>	<u>455,711</u>	<u>\$ 455,711</u>	<u>\$ 54,728</u>
Net Change in Fund Balance	\$ 510,439	\$	455,711	\$ 455,711	\$ 54,728
Fund Balance, July 1, 2023	<u>2,792,814</u>		<u>2,792,815</u>	<u>2,792,815</u>	<u>(1)</u>
Fund Balance, June 30, 2024	<u><u>\$ 3,303,253</u></u>	<u><u>\$</u></u>	<u><u>3,248,526</u></u>	<u><u>\$ 3,248,526</u></u>	<u><u>\$ 54,727</u></u>

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, 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.

CLAY COUNTY, TENNESSEE
Combining Statement of Net Position
 Custodial Funds
June 30, 2024

	Custodial Funds		
	Cities -	Constitu -	
	Sales	tional	
	Tax	Officers -	
		Custodial	Total
ASSETS			
Cash	\$ 0	\$ 958,840	\$ 958,840
Due from Other Governments	90,196	0	90,196
Total Assets	<u>\$ 90,196</u>	<u>\$ 958,840</u>	<u>\$ 1,049,036</u>
LIABILITIES			
Due to Other Taxing Units	\$ 90,196	\$ 0	\$ 90,196
Total Liabilities	<u>\$ 90,196</u>	<u>\$ 0</u>	<u>\$ 90,196</u>
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 958,840</u>	<u>\$ 958,840</u>
Total Net Position	<u><u>\$ 0</u></u>	<u><u>\$ 958,840</u></u>	<u><u>\$ 958,840</u></u>

CLAY COUNTY, TENNESSEE**Combining Statement of Changes in Net Position**

Custodial Funds

For the Year Ended June 30, 2024

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
Additions			
Sales Tax Collections for Other Governments	\$ 495,379	\$ 0	\$ 495,379
Fines/Fees and Other Collections	0	2,821,578	2,821,578
Total Additions	\$ 495,379	\$ 2,821,578	\$ 3,316,957
Deductions			
Payment of Sales Tax Collections for Other Governments	\$ 495,379	\$ 0	\$ 495,379
Payments to State	0	1,543,572	1,543,572
Payments to Cities, Individuals, and Others	0	1,178,266	1,178,266
Total Deductions	\$ 495,379	\$ 2,721,838	\$ 3,217,217
Change in Net Position	\$ 0	\$ 99,740	\$ 99,740
Net Position July 1, 2023	0	859,100	859,100
Net Position June 30, 2024	\$ 0	\$ 958,840	\$ 958,840

CLAY COUNTY SCHOOL DEPARTMENT

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

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.

Exhibit I-1

CLAY COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Clay County School Department

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	\$ 7,398,695	\$ 18,751	\$ 1,088,046	\$ 735,261	\$ (5,556,637)
Support Services	4,834,541	0	545,617	113,432	(4,175,492)
Operation of Non-instructional Services	1,942,152	34,009	1,739,655	0	(168,488)
Interest on Long-term Debt	93,000	0	0	0	(93,000)
Total Governmental Activities	<u>\$ 14,268,388</u>	<u>\$ 52,760</u>	<u>\$ 3,373,318</u>	<u>\$ 848,693</u>	<u>\$ (9,993,617)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,754,489
Local Option Sales Taxes					1,101,587
Mixed Drink Tax					1,360
Grants and Contributions Not Restricted to Specific Programs					9,656,878
Unrestricted Investment Earnings					13,905
Miscellaneous					7,474
Total General Revenues					<u>\$ 12,535,693</u>
Change in Net Position					\$ 2,542,076
Net Position, July 1, 2023					<u>16,395,568</u>
Net Position, June 30, 2024					<u>\$ 18,937,644</u>

CLAY COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Clay County School Department

June 30, 2024

	Major Funds		Nonmajor Funds	
	General	School	Other	Total
	Purpose	Federal	Govern-mental	Governmental
	School	Projects	Funds	Funds
ASSETS				
Cash	\$ 15,000	\$ 0	\$ 401,364	\$ 416,364
Equity in Pooled Cash and Investments	8,088,035	175,285	369,339	8,632,659
Accounts Receivable	848	0	0	848
Due from Other Governments	813,021	324,721	7,611	1,145,353
Property Taxes Receivable	1,828,410	0	0	1,828,410
Allowance for Uncollectible Property Taxes	(47,172)	0	0	(47,172)
Restricted Assets	165,309	0	0	165,309
Total Assets	<u>\$ 10,863,451</u>	<u>\$ 500,006</u>	<u>\$ 778,314</u>	<u>\$ 12,141,771</u>
LIABILITIES				
Accounts Payable	\$ 33,820	\$ 0	\$ 0	\$ 33,820
Payroll Deductions Payable	69	6	0	75
Total Liabilities	<u>\$ 33,889</u>	<u>\$ 6</u>	<u>\$ 0</u>	<u>\$ 33,895</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 1,714,864	\$ 0	\$ 0	\$ 1,714,864
Deferred Delinquent Property Taxes	63,483	0	0	63,483
Other Deferred/Unavailable Revenue	97,366	0	0	97,366
Total Deferred Inflows of Resources	<u>\$ 1,875,713</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,875,713</u>

(Continued)

CLAY COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Clay County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General	School	Other	Total
	Purpose	Federal	Govern- mental	Governmental
	School	Projects	Funds	Funds
FUND BALANCES				
Restricted:				
Restricted for Education	\$ 21,616	\$ 0	\$ 778,314	\$ 799,930
Restricted for Hybrid Retirement Stabilization Funds	165,309	0	0	165,309
Committed:				
Committed for Education	1,421,603	500,000	0	1,921,603
Assigned:				
Assigned for Education	1,088,529	0	0	1,088,529
Unassigned	6,256,792	0	0	6,256,792
Total Fund Balances	<u>\$ 8,953,849</u>	<u>\$ 500,000</u>	<u>\$ 778,314</u>	<u>\$ 10,232,163</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,863,451</u>	<u>\$ 500,006</u>	<u>\$ 778,314</u>	<u>\$ 12,141,771</u>

CLAY COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**

Discretely Presented Clay County School Department

June 30, 2024

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 10,232,163
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 298,098	
Add: construction in progress	445,707	
Add: buildings and improvements net of accumulated depreciation	7,294,772	
Add: infrastructure net of accumulated depreciation	171,069	
Add: other capital assets net of accumulated depreciation	<u>1,151,075</u>	9,360,721
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for other loans	\$ (2,750,000)	
Less: compensated absences payable	(4,211)	
Less: net OPEB liability	<u>(1,018,043)</u>	(3,772,254)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,915,082	
Less: deferred inflows of resources related to pensions	(264,862)	
Add: deferred outflows of resources related to OPEB	112,857	
Less: deferred inflows of resources related to OPEB	<u>(337,944)</u>	1,425,133
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 25,595	
Add: net pension asset - teacher retirement plan	37,797	
Add: net pension asset - teacher legacy pension plan	<u>1,467,640</u>	1,531,032
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>160,849</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 18,937,644</u></u>

CLAY COUNTY, TENNESSEE**Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds**Discretely Presented Clay County School Department
For the Year Ended June 30, 2024

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
Revenues				
Local Taxes	\$ 2,843,584	\$ 0	\$ 0	\$ 2,843,584
Licenses and Permits	863	0	0	863
Charges for Current Services	18,751	0	34,009	52,760
Other Local Revenues	31,464	0	634,626	666,090
State of Tennessee	10,096,420	0	0	10,096,420
Federal Government	142,120	2,015,366	719,009	2,876,495
Other Governments and Citizens Groups	244,451	0	0	244,451
Total Revenues	<u>\$ 13,377,653</u>	<u>\$ 2,015,366</u>	<u>\$ 1,387,644</u>	<u>\$ 16,780,663</u>
Expenditures				
Current:				
Instruction	\$ 6,008,501	\$ 844,935	\$ 0	\$ 6,853,436
Support Services	4,387,522	470,868	0	4,858,390
Operation of Non-Instructional Services	466,436	50,366	1,427,616	1,944,418
Capital Outlay	484,595	690,933	0	1,175,528
Debt Service:				
Principal on Debt	350,000	0	0	350,000
Interest on Debt	93,000	0	0	93,000
Other Debt Service	450	0	0	450
Total Expenditures	<u>\$ 11,790,504</u>	<u>\$ 2,057,102</u>	<u>\$ 1,427,616</u>	<u>\$ 15,275,222</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,587,149</u>	<u>\$ (41,736)</u>	<u>\$ (39,972)</u>	<u>\$ 1,505,441</u>

(Continued)

CLAY COUNTY, TENNESSEE**Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds**

Discretely Presented Clay County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
Other Financing Sources (Uses)				
Transfers In	\$ 15,051	\$ 0	\$ 0	\$ 15,051
Transfers Out	0	(15,051)	0	(15,051)
Total Other Financing Sources (Uses)	\$ 15,051	\$ (15,051)	\$ 0	\$ 0
Net Change in Fund Balances	\$ 1,602,200	\$ (56,787)	\$ (39,972)	\$ 1,505,441
Fund Balance, July 1, 2023	7,351,649	556,787	818,286	8,726,722
Fund Balance, June 30, 2024	\$ 8,953,849	\$ 500,000	\$ 778,314	\$ 10,232,163

CLAY COUNTY, TENNESSEE**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

Discretely Presented Clay County School Department

For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 1,505,441
(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	\$ 1,121,687	
Less: current-year depreciation expense	<u>(470,396)</u>	651,291
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(20,251)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2024	\$ 160,849	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(131,048)</u>	29,801
(4) 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: change in contribution due to primary government		350,000
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 1,489	
Change in net pension asset - agent plan	(121,671)	
Change in net pension asset - teacher retirement plan	10,118	
Change in net pension asset - teacher legacy pension plan	12,413	
Change in deferred outflows related to pensions	(48,832)	
Change in deferred inflows related to pensions	119,702	
Change in OPEB liability	(110,208)	
Change in deferred outflows related to OPEB	86,219	
Change in deferred inflows related to OPEB	<u>76,564</u>	<u>25,794</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,542,076</u>

CLAY COUNTY, TENNESSEE**Combining Balance Sheet - Nonmajor Governmental Funds**

Discretely Presented Clay County School Department

June 30, 2024

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
ASSETS			
Cash	\$ 1,614	\$ 399,750	\$ 401,364
Equity in Pooled Cash and Investments	369,339	0	369,339
Due from Other Governments	7,611	0	7,611
Total Assets	<u>\$ 378,564</u>	<u>\$ 399,750</u>	<u>\$ 778,314</u>
FUND BALANCES			
Restricted:			
Restricted for Education	<u>\$ 378,564</u>	<u>\$ 399,750</u>	<u>\$ 778,314</u>
Total Fund Balances	<u>\$ 378,564</u>	<u>\$ 399,750</u>	<u>\$ 778,314</u>

CLAY COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds**

Discretely Presented Clay County School Department

For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
Revenues			
Charges for Current Services	\$ 34,009	\$ 0	\$ 34,009
Other Local Revenues	1,940	632,686	634,626
Federal Government	719,009	0	719,009
Total Revenues	<u>\$ 754,958</u>	<u>\$ 632,686</u>	<u>\$ 1,387,644</u>
Expenditures			
Current:			
Operation of Non-Instructional Services	\$ 826,288	\$ 601,328	\$ 1,427,616
Total Expenditures	<u>\$ 826,288</u>	<u>\$ 601,328</u>	<u>\$ 1,427,616</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (71,330)</u>	<u>\$ 31,358</u>	<u>\$ (39,972)</u>
Net Change in Fund Balances	\$ (71,330)	\$ 31,358	\$ (39,972)
Fund Balance, July 1, 2023	<u>449,894</u>	<u>368,392</u>	<u>818,286</u>
Fund Balance, June 30, 2024	<u><u>\$ 378,564</u></u>	<u><u>\$ 399,750</u></u>	<u><u>\$ 778,314</u></u>

CLAY COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Clay County School Department

General Purpose School Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,843,584	\$ 0	\$ 0	\$ 2,843,584	\$ 2,319,761	\$ 2,319,761	\$ 523,823
Licenses and Permits	863	0	0	863	650	650	213
Charges for Current Services	18,751	0	0	18,751	16,090	16,090	2,661
Other Local Revenues	31,464	0	0	31,464	25,434	25,434	6,030
State of Tennessee	10,096,420	0	0	10,096,420	10,705,024	11,008,571	(912,151)
Federal Government	142,120	0	0	142,120	80,000	323,883	(181,763)
Other Governments and Citizens Groups	244,451	0	0	244,451	174,546	259,051	(14,600)
Total Revenues	\$ 13,377,653	\$ 0	\$ 0	\$ 13,377,653	\$ 13,321,505	\$ 13,953,440	\$ (575,787)
Expenditures							
Instruction							
Regular Instruction Program	\$ 4,900,066	\$ (13,209)	\$ 0	\$ 4,886,857	\$ 5,395,213	\$ 5,538,544	\$ 651,687
Alternative Instruction Program	79,527	0	0	79,527	84,328	84,328	4,801
Special Education Program	586,635	0	0	586,635	629,546	641,368	54,733
Career and Technical Education Program	442,273	0	0	442,273	808,471	844,321	402,048
Support Services							
Attendance	62,430	0	0	62,430	64,595	69,595	7,165
Health Services	255,430	(276)	0	255,154	266,175	278,863	23,709
Other Student Support	188,143	0	0	188,143	193,342	193,372	5,229
Regular Instruction Program	362,917	0	0	362,917	385,388	385,388	22,471
Special Education Program	240,090	0	0	240,090	217,206	242,206	2,116
Career and Technical Education Program	51,530	0	0	51,530	54,948	61,143	9,613
Technology	172,877	0	0	172,877	205,653	264,233	91,356
Board of Education	154,081	0	0	154,081	207,258	207,258	53,177
Director of Schools	137,890	0	0	137,890	157,274	158,444	20,554
Office of the Principal	646,290	0	0	646,290	655,771	667,421	21,131
Fiscal Services	226,671	0	0	226,671	238,786	247,486	20,815

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Clay County School Department

General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Support Services (Cont.)							
Operation of Plant	\$ 908,689	\$ 0	\$ 0	\$ 908,689	\$ 1,041,334	\$ 1,045,034	\$ 136,345
Maintenance of Plant	289,000	0	299,730	588,730	337,770	615,770	27,040
Transportation	691,484	0	113,432	804,916	922,157	953,406	148,490
Operation of Non-Instructional Services							
Food Service	113,998	0	0	113,998	111,269	118,449	4,451
Community Services	34,559	0	0	34,559	36,163	36,303	1,744
Early Childhood Education	317,879	0	0	317,879	332,944	333,494	15,615
Capital Outlay							
Regular Capital Outlay	484,595	0	660,367	1,144,962	3,323,555	3,314,655	2,169,693
Principal on Debt							
Education	350,000	0	0	350,000	350,000	350,000	0
Interest on Debt							
Education	93,000	0	0	93,000	93,000	93,000	0
Other Debt Service							
Education	450	0	0	450	500	500	50
Total Expenditures	\$ 11,790,504	\$ (13,485)	\$ 1,073,529	\$ 12,850,548	\$ 16,112,646	\$ 16,744,581	\$ 3,894,033
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,587,149	\$ 13,485	\$ (1,073,529)	\$ 527,105	\$ (2,791,141)	\$ (2,791,141)	\$ 3,318,246
Other Financing Sources (Uses)							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 1,000	\$ (1,000)
Transfers In	15,051	0	0	15,051	25,000	25,000	(9,949)
Transfers Out	0	0	0	0	(80,000)	(80,000)	80,000
Total Other Financing Sources	\$ 15,051	\$ 0	\$ 0	\$ 15,051	\$ (54,000)	\$ (54,000)	\$ 69,051
Net Change in Fund Balance	\$ 1,602,200	\$ 13,485	\$ (1,073,529)	\$ 542,156	\$ (2,845,141)	\$ (2,845,141)	\$ 3,387,297
Fund Balance, July 1, 2023	7,351,649	(13,485)	0	7,338,164	5,107,507	7,351,649	(13,485)
Fund Balance, June 30, 2024	\$ 8,953,849	\$ 0	\$ (1,073,529)	\$ 7,880,320	\$ 2,262,366	\$ 4,506,508	\$ 3,373,812

CLAY COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Clay County School Department

School Federal Projects Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 2,015,366	\$ 0	\$ 0	\$ 2,015,366	\$ 2,351,339	\$ 2,452,439	\$ (437,073)
Total Revenues	\$ 2,015,366	\$ 0	\$ 0	\$ 2,015,366	\$ 2,351,339	\$ 2,452,439	\$ (437,073)
Expenditures							
Instruction							
Regular Instruction Program	\$ 634,818	\$ 0	\$ 0	\$ 634,818	\$ 733,929	\$ 709,244	\$ 74,426
Special Education Program	194,598	0	0	194,598	193,534	238,981	44,383
Career and Technical Education Program	15,519	0	0	15,519	13,227	15,519	0
Support Services							
Other Student Support	8,959	0	0	8,959	12,177	9,883	924
Regular Instruction Program	319,126	0	0	319,126	310,219	350,616	31,490
Special Education Program	135,666	0	0	135,666	120,479	145,684	10,018
Career and Technical Education Program	1,360	0	0	1,360	1,360	1,360	0
Transportation	5,757	0	0	5,757	5,822	5,814	57
Operation of Non-Instructional Services							
Community Services	50,366	0	0	50,366	70,173	70,173	19,807
Capital Outlay							
Regular Capital Outlay	690,933	(243,227)	254,320	702,026	873,519	888,465	186,439
Total Expenditures	\$ 2,057,102	\$ (243,227)	\$ 254,320	\$ 2,068,195	\$ 2,334,439	\$ 2,435,739	\$ 367,544
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,736)	\$ 243,227	\$ (254,320)	\$ (52,829)	\$ 16,900	\$ 16,700	\$ (69,529)
Other Financing Sources (Uses)							
Transfers Out	\$ (15,051)	\$ 0	\$ 0	\$ (15,051)	\$ (16,900)	\$ (16,700)	\$ 1,649
Total Other Financing Sources	\$ (15,051)	\$ 0	\$ 0	\$ (15,051)	\$ (16,900)	\$ (16,700)	\$ 1,649
Net Change in Fund Balance	\$ (56,787)	\$ 243,227	\$ (254,320)	\$ (67,880)	\$ 0	\$ 0	\$ (67,880)
Fund Balance, July 1, 2023	556,787	(243,227)	0	313,560	0	0	313,560
Fund Balance, June 30, 2024	\$ 500,000	\$ 0	\$ (254,320)	\$ 245,680	\$ 0	\$ 0	\$ 245,680

CLAY COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Clay County School Department

Central Cafeteria Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Charges for Current Services	\$ 34,009	\$ 0	\$ 0	\$ 34,009	\$ 43,000	\$ 43,000	\$ (8,991)
Other Local Revenues	1,940	0	0	1,940	2,000	2,000	(60)
Federal Government	719,009	0	0	719,009	807,700	807,700	(88,691)
Total Revenues	<u>\$ 754,958</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 754,958</u>	<u>\$ 852,700</u>	<u>\$ 852,700</u>	<u>\$ (97,742)</u>
Expenditures							
Operation of Non-Instructional Services							
Food Service	\$ 826,288	\$ (17,473)	\$ 100,000	\$ 908,815	\$ 1,185,961	\$ 1,185,961	\$ 277,146
Total Expenditures	<u>\$ 826,288</u>	<u>\$ (17,473)</u>	<u>\$ 100,000</u>	<u>\$ 908,815</u>	<u>\$ 1,185,961</u>	<u>\$ 1,185,961</u>	<u>\$ 277,146</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (71,330)</u>	<u>\$ 17,473</u>	<u>\$ (100,000)</u>	<u>\$ (153,857)</u>	<u>\$ (333,261)</u>	<u>\$ (333,261)</u>	<u>\$ 179,404</u>
Net Change in Fund Balance	\$ (71,330)	\$ 17,473	\$ (100,000)	\$ (153,857)	\$ (333,261)	\$ (333,261)	\$ 179,404
Fund Balance, July 1, 2023	<u>449,894</u>	<u>(17,473)</u>	<u>0</u>	<u>432,421</u>	<u>420,845</u>	<u>449,894</u>	<u>(17,473)</u>
Fund Balance, June 30, 2024	<u><u>\$ 378,564</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (100,000)</u></u>	<u><u>\$ 278,564</u></u>	<u><u>\$ 87,584</u></u>	<u><u>\$ 116,633</u></u>	<u><u>\$ 161,931</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

CLAY COUNTY, TENNESSEE

Schedule of Changes in Long-term Bonds

For the Year Ended June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-23	Paid and/or Matured During Period	Outstanding 6-30-24
BONDS PAYABLE							
Contributions Due by the School Department from the General							
Purpose School Fund to the General Debt Service Fund							
General Obligation School Bonds, Series 2018	\$ 4,660,000	3 %	2-15-18	6-1-31	\$ 3,100,000	\$ 350,000	\$ 2,750,000

Exhibit J-2

CLAY COUNTY, TENNESSEE

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 360,000	\$ 82,500	\$ 442,500
2026	370,000	71,700	441,700
2027	380,000	60,600	440,600
2028	390,000	49,200	439,200
2029	405,000	37,500	442,500
2030	415,000	25,350	440,350
2031	430,000	12,900	442,900
Total	\$ 2,750,000	\$ 339,750	\$ 3,089,750

Exhibit J-3

CLAY COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Clay County School Department

For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Solid Waste/Sanitation	Operations	\$ 2,900
Other Special Revenue	General	Capital Outlay	<u>38,071</u>
Total Transfers Primary Government			<u><u>\$ 40,971</u></u>
DISCRETELY PRESENTED CLAY COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 15,051</u>
Total Transfers Discretely Presented Clay County School Department			<u><u>\$ 15,051</u></u>

CLAY COUNTY, TENNESSEE**Schedule of Salaries and Official Bonds of Principal Officials**

Primary Government and Discretely Presented Clay County School Department

For the Year Ended June 30, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ (1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 93,805</u>			
Road Superintendent		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 89,338</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 95,203			
Chief executive officer training supplement	1,000			
Total compensation	<u>\$ 96,203</u>			
Trustee - Charlie Key (7/1/23-9/14/23)		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 16,920</u>			
Trustee - Angie Thompson (9/15/23 - 6/30/24) (2)		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 64,296</u>			
Total Trustee Compensation	<u>\$ 81,216</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 81,216</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 81,216</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 81,216</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 81,216</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 81,216</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary	\$ 89,338			
Law enforcement training supplement	800			
Total compensation	<u>\$ 90,138</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Insurance Pool
Employee Fidelity - School Department			500,000	Tennessee Risk Management Trust

(1) Official is under the employee fidelity insurance coverage.

(2) Ms. Thompson was officially appointed as trustee by the county commission on October 2, 2023, but she began fulfilling the duties of the office on September 15 and was paid retroactively to that date.

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2024

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 2,211,874	\$ 0	\$ 509,079	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	66,996	0	15,415	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	36,140	0	10,037	0	0	0
Interest and Penalty	11,020	0	2,536	0	0	0
Pickup Taxes	603	0	139	0	0	0
County Local Option Taxes						
Local Option Sales Tax	604,525	0	0	0	0	0
Hotel/Motel Tax	84,493	0	0	0	0	0
Wheel Tax	359,262	0	0	0	0	0
Litigation Tax - General	28,506	0	0	0	0	0
Litigation Tax - Special Purpose	4,459	1,469	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	13,199	0	0	0	0
Business Tax	58,858	0	0	0	0	0
Mixed Drink Tax	1,360	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	21,380	0	4,919	0	0	0
Wholesale Beer Tax	79,230	0	0	0	0	0
Beer Privilege Tax	475	0	0	0	0	0
Total Local Taxes	\$ 3,569,181	\$ 14,668	\$ 542,125	\$ 0	\$ 0	\$ 0
Licenses and Permits						
Licenses						
Cable TV Franchise	\$ 26,183	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Licenses and Permits (Cont.)						
Permits						
Beer Permits	\$ 713	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	46,785	0	0	0	0	0
Total Licenses and Permits	<u>\$ 73,681</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 2,328	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,194	0	0	0	0	0
Drug Control Fines	0	0	0	1,664	0	0
Drug Court Fees	218	0	0	0	0	0
Veterans Treatment Court Fees	95	0	0	0	0	0
Jail Fees	337	0	0	0	0	0
DUI Treatment Fines	238	0	0	0	0	0
Data Entry Fee - Circuit Court	186	0	0	0	0	0
Courtroom Security Fee	562	0	0	0	0	0
General Sessions Court						
Fines	5,430	0	0	0	0	0
Officers Costs	10,420	0	0	0	0	0
Game and Fish Fines	760	0	0	0	0	0
Drug Control Fines	0	0	0	1,365	0	0
Drug Court Fees	569	0	0	0	0	0
Veterans Treatment Court Fees	380	0	0	0	0	0
Jail Fees	896	0	0	0	0	0
DUI Treatment Fines	1,662	0	0	0	0	0
Data Entry Fee - General Sessions Court	2,978	0	0	0	0	0
Courtroom Security Fee	11,504	0	0	0	0	0

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Fines, Forfeitures, and Penalties (Cont.)						
Chancery Court						
Officers Costs	\$ 638	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	384	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	100	0	0
Other Fines, Forfeitures, and Penalties	80	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 40,859	\$ 0	\$ 0	\$ 3,129	\$ 0	\$ 0
Charges for Current Services						
General Service Charges						
Tipping Fees	\$ 0	\$ 0	\$ 77,814	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	0	1,390	0	0	0
Patient Charges	244,511	0	0	0	0	0
Fees						
Recreation Fees	8,092	0	0	0	0	0
Copy Fees	107	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	9,233	0	0	0	0	0
Vending Machine Collections	1,742	0	0	0	0	0
Additional Fees - Titling and Registration	5,703	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	107,288
Data Processing Fee - Register	2,994	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,000	0	0	0	0	0
Data Processing Fee - County Clerk	6,470	0	0	0	0	0
Vehicle Registration Reinstatement Fees	670	0	0	0	0	0

(Continued)

CLAY 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	Drug Control	Other Special Revenue	
Charges for Current Services (Cont.)						
Education Charges						
Other Charges for Services	\$ 38,265	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 320,987	\$ 0	\$ 79,204	\$ 0	\$ 0	\$ 107,288
Other Local Revenues						
Recurring Items						
Investment Income	\$ 514	\$ 0	\$ 0	\$ 0	\$ 13	\$ 0
Sale of Recycled Materials	0	0	25,735	0	0	0
Miscellaneous Refunds	16,743	0	76	0	0	0
Expenditure Credits	1,148	0	0	0	0	0
Nonrecurring Items						
Sale of Equipment	0	0	9,774	0	0	0
Contributions and Gifts	2,675	0	0	0	0	0
Total Other Local Revenues	\$ 21,080	\$ 0	\$ 35,585	\$ 0	\$ 13	\$ 0
Fees Received From County Officials						
Excess Fees						
Trustee	\$ 74,645	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fees In-Lieu-of Salary						
County Clerk	149,988	0	0	0	0	0
Circuit Court Clerk	9,085	0	0	0	0	0
General Sessions Court Clerk	48,979	0	0	0	0	0
Clerk and Master	41,374	0	0	0	0	0
Register	38,185	0	0	0	0	0
Sheriff	5,041	0	0	0	0	0
Total Fees Received From County Officials	\$ 367,297	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	6,160	0	0	0	0	0
Solid Waste Grants	0	0	65,916	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	20,000	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	0
Litter Program	43,652	0	0	0	0	0
Other State Revenues						
Beer Tax	18,498	0	0	0	0	0
Vehicle Certificate of Title Fees	3,862	0	0	0	0	0
Alcoholic Beverage Tax	33,251	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	43,385	0	0	0	0	0
State Revenue Sharing - T.V.A.	316,725	0	0	0	0	0
State Revenue Sharing - Telecommunications	43,194	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	11,434	0	0	0	0	0
Contracted Prisoner Boarding	40,836	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	470,214	10,800	0	0	0	0
Other State Revenues	61,540	0	0	0	0	0
Total State of Tennessee	\$ 1,136,915	\$ 10,800	\$ 65,916	\$ 0	\$ 0	0

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees
Federal Government						
Federal Through State						
Homeland Security Grants	\$ 9,931	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant #1	0	0	0	0	14,100	0
Other Federal through State	811,422	0	0	0	0	0
Direct Federal Revenue						
Police Service (Lake Area)	24,177	0	0	0	0	0
Total Federal Government	<u>\$ 845,530</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,100</u>	<u>\$ 0</u>
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 42,923	\$ 34,620	\$ 0	\$ 100	\$ 0	\$ 0
Citizens Groups						
Donations	30,621	0	0	0	0	0
Other						
Other	125,324	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	71,567	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 270,435</u>	<u>\$ 34,620</u>	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 6,645,965</u>	<u>\$ 60,088</u>	<u>\$ 722,830</u>	<u>\$ 3,229</u>	<u>\$ 14,113</u>	<u>\$ 107,288</u>

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
Local Taxes			
County Property Taxes			
Current Property Tax	\$ 0	\$ 193,103	\$ 2,914,056
Trustee's Collections - Prior Year	0	5,861	88,272
Circuit Clerk/Clerk and Master Collections - Prior Years	0	3,145	49,322
Interest and Penalty	0	964	14,520
Pickup Taxes	0	52	794
County Local Option Taxes			
Local Option Sales Tax	0	0	604,525
Hotel/Motel Tax	0	0	84,493
Wheel Tax	0	214,639	573,901
Litigation Tax - General	0	0	28,506
Litigation Tax - Special Purpose	0	0	5,928
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	13,199
Business Tax	0	0	58,858
Mixed Drink Tax	0	0	1,360
Mineral Severance Tax	3,606	0	3,606
Statutory Local Taxes			
Bank Excise Tax	0	1,871	28,170
Wholesale Beer Tax	0	8,803	88,033
Beer Privilege Tax	0	0	475
Total Local Taxes	\$ 3,606	\$ 428,438	\$ 4,558,018
Licenses and Permits			
Licenses			
Cable TV Franchise	\$ 0	\$ 0	\$ 26,183

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
Licenses and Permits (Cont.)			
Permits			
Beer Permits	\$ 0	\$ 0	\$ 713
Building Permits	0	0	46,785
Total Licenses and Permits	\$ 0	\$ 0	\$ 73,681
Fines, Forfeitures, and Penalties			
Circuit Court			
Fines	\$ 0	\$ 0	\$ 2,328
Officers Costs	0	0	1,194
Drug Control Fines	0	0	1,664
Drug Court Fees	0	0	218
Veterans Treatment Court Fees	0	0	95
Jail Fees	0	0	337
DUI Treatment Fines	0	0	238
Data Entry Fee - Circuit Court	0	0	186
Courtroom Security Fee	0	0	562
General Sessions Court			
Fines	0	0	5,430
Officers Costs	0	0	10,420
Game and Fish Fines	0	0	760
Drug Control Fines	0	0	1,365
Drug Court Fees	0	0	569
Veterans Treatment Court Fees	0	0	380
Jail Fees	0	0	896
DUI Treatment Fines	0	0	1,662
Data Entry Fee - General Sessions Court	0	0	2,978
Courtroom Security Fee	0	0	11,504

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
Fines, Forfeitures, and Penalties (Cont.)			
Chancery Court			
Officers Costs	\$ 0	\$ 0	\$ 638
Data Entry Fee - Chancery Court	0	0	384
Other Fines, Forfeitures, and Penalties			
Proceeds from Confiscated Property	0	0	100
Other Fines, Forfeitures, and Penalties	0	0	80
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 43,988
Charges for Current Services			
General Service Charges			
Tipping Fees	\$ 0	\$ 0	\$ 77,814
Surcharge - Waste Tire Disposal	0	0	1,390
Patient Charges	0	0	244,511
Fees			
Recreation Fees	0	0	8,092
Copy Fees	0	0	107
Greenbelt Late Application Fee	0	0	200
Telephone Commissions	0	0	9,233
Vending Machine Collections	0	0	1,742
Additional Fees - Titling and Registration	0	0	5,703
Constitutional Officers' Fees and Commissions	0	0	107,288
Data Processing Fee - Register	0	0	2,994
Sexual Offender Registration Fee - Sheriff	0	0	3,000
Data Processing Fee - County Clerk	0	0	6,470
Vehicle Registration Reinstatement Fees	0	0	670

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	
	Highway / Public Works	General Debt Service	Total
Charges for Current Services (Cont.)			
Education Charges			
Other Charges for Services	\$ 0	\$ 0	\$ 38,265
Total Charges for Current Services	\$ 0	\$ 0	\$ 507,479
Other Local Revenues			
Recurring Items			
Investment Income	\$ 0	\$ 88,728	\$ 89,255
Sale of Recycled Materials	0	0	25,735
Miscellaneous Refunds	7,542	0	24,361
Expenditure Credits	0	0	1,148
Nonrecurring Items			
Sale of Equipment	0	0	9,774
Contributions and Gifts	0	0	2,675
Total Other Local Revenues	\$ 7,542	\$ 88,728	\$ 152,948
Fees Received From County Officials			
Excess Fees			
Trustee	\$ 0	\$ 0	\$ 74,645
Fees In-Lieu-of Salary			
County Clerk	0	0	149,988
Circuit Court Clerk	0	0	9,085
General Sessions Court Clerk	0	0	48,979
Clerk and Master	0	0	41,374
Register	0	0	38,185
Sheriff	0	0	5,041
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 367,297

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
State of Tennessee			
General Government Grants			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	6,160
Solid Waste Grants	0	0	65,916
Public Safety Grants			
Law Enforcement Training Programs	0	0	20,000
Public Works Grants			
State Aid Program	809,258	0	809,258
Litter Program	0	0	43,652
Other State Revenues			
Beer Tax	0	0	18,498
Vehicle Certificate of Title Fees	0	0	3,862
Alcoholic Beverage Tax	0	0	33,251
Opioid Settlement Funds - TN Abatement Council	0	0	43,385
State Revenue Sharing - T.V.A.	7,000	0	323,725
State Revenue Sharing - Telecommunications	0	0	43,194
State Shared Sports Gaming Privilege Tax	0	0	11,434
Contracted Prisoner Boarding	0	0	40,836
Gasoline and Motor Fuel Tax	1,935,223	0	1,935,223
Hybrid/Electric Vehicle Registration Fee	7,676	0	7,676
Petroleum Special Tax	5,023	0	5,023
Registrar's Salary Supplement	0	0	15,164
Other State Grants	0	0	481,014
Other State Revenues	0	0	61,540
Total State of Tennessee	\$ 2,764,180	\$ 0	\$ 3,977,811

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Fund	Debt Service Fund	
	Highway / Public Works	General Debt Service	Total
Federal Government			
Federal Through State			
Homeland Security Grants	\$ 0	\$ 0	\$ 9,931
American Rescue Plan Act Grant #1	0	0	14,100
Other Federal through State	0	0	811,422
Direct Federal Revenue			
Police Service (Lake Area)	0	0	24,177
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 859,630</u>
Other Governments and Citizens Groups			
Other Governments			
Contributions	\$ 0	\$ 443,450	\$ 521,093
Citizens Groups			
Donations	0	0	30,621
Other			
Other	0	0	125,324
Opioid Settlement Funds - Past Remediation	0	0	71,567
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 443,450</u>	<u>\$ 748,605</u>
Total	<u>\$ 2,775,328</u>	<u>\$ 960,616</u>	<u>\$ 11,289,457</u>

CLAY COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Clay County School Department

For the Year Ended June 30, 2024

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 1,650,124	\$ 0	\$ 0	\$ 0	\$ 1,650,124	
Trustee's Collections - Prior Year	44,947	0	0	0	44,947	
Circuit Clerk/Clerk and Master Collections - Prior Years	26,950	0	0	0	26,950	
Interest and Penalty	8,221	0	0	0	8,221	
Pickup Taxes	450	0	0	0	450	
County Local Option Taxes						
Local Option Sales Tax	1,095,583	0	0	0	1,095,583	
Mixed Drink Tax	1,360	0	0	0	1,360	
Statutory Local Taxes						
Bank Excise Tax	15,949	0	0	0	15,949	
Total Local Taxes	\$ 2,843,584	\$ 0	\$ 0	\$ 0	\$ 2,843,584	
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 722	\$ 0	\$ 0	\$ 0	\$ 722	
Permits						
Other Permits	141	0	0	0	141	
Total Licenses and Permits	\$ 863	\$ 0	\$ 0	\$ 0	\$ 863	
Charges for Current Services						
Education Charges						
Lunch Payments - Children	\$ 0	\$ 0	\$ 5,663	\$ 0	\$ 5,663	
Lunch Payments - Adults	0	0	16,296	0	16,296	
Income from Breakfast	0	0	444	0	444	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
A la Carte Sales	\$ 0	\$ 0	\$ 11,319	\$ 0	\$ 11,319
Receipts from Individual Schools	18,586	0	0	0	18,586
Community Service Fees - Adults	0	0	287	0	287
Other Charges for Services	165	0	0	0	165
Total Charges for Current Services	<u>\$ 18,751</u>	<u>\$ 0</u>	<u>\$ 34,009</u>	<u>\$ 0</u>	<u>\$ 52,760</u>
Other Local Revenues					
Recurring Items					
Investment Income	\$ 13,905	\$ 0	\$ 1,940	\$ 0	\$ 15,845
E-Rate Funding	10,030	0	0	0	10,030
Miscellaneous Refunds	7,468	0	0	0	7,468
Nonrecurring Items					
Damages Recovered from Individuals	6	0	0	0	6
Other Local Revenues					
Other Local Revenues	55	0	0	632,686	632,741
Total Other Local Revenues	<u>\$ 31,464</u>	<u>\$ 0</u>	<u>\$ 1,940</u>	<u>\$ 632,686</u>	<u>\$ 666,090</u>
State of Tennessee					
State Education Funds					
Tennessee Investment in Student Achievement	\$ 8,616,358	\$ 0	\$ 0	\$ 0	\$ 8,616,358
TISA - On-behalf Payments	16,141	0	0	0	16,141
Early Childhood Education	329,163	0	0	0	329,163
School Food Service	5,963	0	0	0	5,963
Other State Education Funds	233,775	0	0	0	233,775

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
State of Tennessee (Cont.)						
State Education Funds (Cont.)						
Career Ladder Program	\$ 13,735	\$ 0	\$ 0	\$ 0	\$ 13,735	
Other Vocational	338,463	0	0	0	338,463	
Other State Revenues						
Flood Control	347,233	0	0	0	347,233	
Other State Grants	169,842	0	0	0	169,842	
Other State Revenues	25,747	0	0	0	25,747	
Total State of Tennessee	\$ 10,096,420	\$ 0	\$ 0	\$ 0	\$ 10,096,420	
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 440,893	\$ 0	\$ 440,893	
USDA - Commodities	0	0	34,814	0	34,814	
Breakfast	0	0	196,342	0	196,342	
USDA - Other	0	0	46,960	0	46,960	
Vocational Education - Basic Grants to States	0	25,264	0	0	25,264	
Title I Grants to Local Education Agencies	0	500,836	0	0	500,836	
Special Education - Grants to States	0	316,371	0	0	316,371	
Special Education Preschool Grants	0	19,648	0	0	19,648	
Rural Education	0	32,192	0	0	32,192	
21st Century Community Learning Centers	0	50,366	0	0	50,366	
Eisenhower Professional Development State Grants	0	114,841	0	0	114,841	
COVID-19 Grant B	0	71,520	0	0	71,520	
COVID-19 Grant D	0	103,800	0	0	103,800	
American Rescue Plan Act Grant #1	0	780,528	0	0	780,528	
Other Federal through State	18,399	0	0	0	18,399	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
Federal Government (Cont.)						
Direct Federal Revenue						
Public Law 874 - Maintenance and Operation	\$ 123,721	\$ 0	\$ 0	\$ 0	\$ 123,721	
Total Federal Government	\$ 142,120	\$ 2,015,366	\$ 719,009	\$ 0	\$ 2,876,495	
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 55,505	\$ 0	\$ 0	\$ 0	\$ 55,505	
Citizens Groups						
Donations	188,946	0	0	0	188,946	
Total Other Governments and Citizens Groups	\$ 244,451	\$ 0	\$ 0	\$ 0	\$ 244,451	
Total	\$ 13,377,653	\$ 2,015,366	\$ 754,958	\$ 632,686	\$ 16,780,663	

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2024

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	37,150	
Audit Services		3,260	
Dues and Memberships		3,092	
Other Contracted Services		13,616	
Other Charges		1,805	
Total County Commission			\$ 58,923

Board of Equalization

Board and Committee Members Fees	\$	1,050	
Total Board of Equalization			1,050

Beer Board

Legal Notices, Recording, and Court Costs	\$	96	
Total Beer Board			96

County Mayor/Executive

County Official/Administrative Officer	\$	93,805	
Accountants/Bookkeepers		37,360	
Clerical Personnel		22,772	
Communication		3,520	
Data Processing Services		12,872	
Dues and Memberships		2,173	
Maintenance Agreements		816	
Postal Charges		1,952	
Printing, Stationery, and Forms		765	
Travel		492	
Office Supplies		2,271	
Office Equipment		468	
Total County Mayor/Executive			179,266

County Attorney

County Official/Administrative Officer	\$	10,854	
Total County Attorney			10,854

Election Commission

County Official/Administrative Officer	\$	64,972	
Other Salaries and Wages		10,408	
Election Commission		5,050	
Election Workers		15,031	
Communication		4,562	
Legal Notices, Recording, and Court Costs		1,050	
Maintenance and Repair Services - Buildings		20,760	
Maintenance and Repair Services - Equipment		29,627	
Postal Charges		1,205	
Printing, Stationery, and Forms		894	
Travel		2,434	
Office Supplies		5,726	
Office Equipment		98,209	
Total Election Commission			259,928

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		23,992	
Communication		1,348	
Data Processing Services		2,578	
Dues and Memberships		898	
Postal Charges		477	
Printing, Stationery, and Forms		2,593	
Travel		232	
Duplicating Supplies		1,021	
Office Supplies		132	
Total Register of Deeds			\$ 114,487

County Buildings

Custodial Personnel	\$	65,163	
Communication		2,234	
Evaluation and Testing		75	
Maintenance and Repair Services - Buildings		59,205	
Maintenance and Repair Services - Vehicles		3,028	
Remittance of Revenue Collected		48,806	
Custodial Supplies		6,226	
Electricity		11,364	
Gasoline		6,248	
Natural Gas		3,089	
Uniforms		253	
Water and Sewer		4,148	
Other Charges		103,708	
Total County Buildings			313,547

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		21,817	
Part-time Personnel		2,100	
Communication		2,168	
Contracts with Private Agencies		3,000	
Data Processing Services		6,001	
Postal Charges		1,344	
Printing, Stationery, and Forms		120	
Travel		2,183	
Office Supplies		1,073	
Total Property Assessor's Office			121,022

County Trustee's Office

Data Processing Services	\$	5,173	
Dues and Memberships		618	
Legal Notices, Recording, and Court Costs		92	
Maintenance and Repair Services - Equipment		12,781	

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Postal Charges	\$	2,586	
Printing, Stationery, and Forms		298	
Office Supplies		2,820	
Office Equipment		120	
Total County Trustee's Office			\$ 24,488

County Clerk's Office

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		45,632	
Other Salaries and Wages		4,000	
Other Per Diem and Fees		2,956	
Communication		2,207	
Dues and Memberships		718	
Maintenance and Repair Services - Equipment		384	
Postal Charges		3,085	
Rentals		10,643	
Office Supplies		4,219	
Total County Clerk's Office			155,060

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		42,308	
Other Salaries and Wages		2,400	
Jury and Witness Expense		1,053	
Communication		3,398	
Dues and Memberships		1,068	
Legal Notices, Recording, and Court Costs		232	
Maintenance Agreements		17,936	
Maintenance and Repair Services - Equipment		160	
Postal Charges		1,510	
Printing, Stationery, and Forms		649	
Travel		360	
Office Supplies		3,825	
Office Equipment		909	
Total Circuit Court			157,024

General Sessions Court

Judge(s)	\$	89,712	
Total General Sessions Court			89,712

Chancery Court

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		19,370	
Communication		1,309	
Dues and Memberships		903	
Maintenance Agreements		7,064	

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Postal Charges	\$	1,676	
Office Supplies		2,470	
Total Chancery Court			\$ 114,008

Juvenile Court

Supervisor/Director	\$	9,000	
Social Security		688	
Unemployment Compensation		31	
Other Contracted Services		1,400	
Total Juvenile Court			11,119

Judicial Commissioners

County Official/ Administrative Officer	\$	13,138	
Other Salaries and Wages		300	
Premiums on Corporate Surety Bonds		100	
Total Judicial Commissioners			13,538

Public Safety

Sheriff's Department

County Official/ Administrative Officer	\$	89,338	
Assistant(s)		51,491	
Deputy(ies)		442,909	
Accountants/Bookkeepers		38,230	
Salary Supplements		11,200	
Other Per Diem and Fees		4,410	
Communication		13,679	
Contracts with Government Agencies		400	
Contracts with Other Public Agencies		2,949	
Confidential Drug Enforcement Payments		400	
Dues and Memberships		1,253	
Evaluation and Testing		2,109	
Licenses		144	
Maintenance and Repair Services - Equipment		11,690	
Maintenance and Repair Services - Vehicles		42,733	
Pest Control		275	
Postal Charges		958	
Printing, Stationery, and Forms		347	
Travel		13,514	
Gasoline		68,520	
Instructional Supplies and Materials		296,326	
Law Enforcement Supplies		4,000	
Office Supplies		3,750	
Tires and Tubes		3,694	
Uniforms		4,126	
Other Supplies and Materials		1,363	
Other Charges		1,445	
Other Equipment		11,778	
Total Sheriff's Department			1,123,031

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement

Motor Vehicles	\$ 50,000	
Total Drug Enforcement		\$ 50,000

Jail

Dispatchers/Radio Operators	\$ 280,919	
Guards	8,445	
Cafeteria Personnel	11,999	
Other Salaries and Wages	24,870	
Communication	3,136	
Contracts with Government Agencies	195,996	
Maintenance and Repair Services - Buildings	8,338	
Other Contracted Services	18,180	
Custodial Supplies	2,108	
Drugs and Medical Supplies	67,873	
Electricity	17,073	
Food Preparation Supplies	2,261	
Food Supplies	27,525	
Gasoline	454	
Water and Sewer	389	
Other Supplies and Materials	414	
Other Charges	13,410	
Total Jail		683,390

Correctional Incentive Program Improvements

Other Equipment	\$ 670	
Total Correctional Incentive Program Improvements		670

Juvenile Services

School Resource Officer	\$ 145,654	
In-service Training	4,939	
Uniforms	3,522	
Other Equipment	108,086	
Total Juvenile Services		262,201

Fire Prevention and Control

Disability Insurance	\$ 22,175	
Contributions	20,000	
Other Charges	5,000	
Total Fire Prevention and Control		47,175

Rescue Squad

Contributions	\$ 2,500	
Total Rescue Squad		2,500

Other Emergency Management

Supervisor/Director	\$ 9,800	
Secretary(ies)	1,260	

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Other Salaries and Wages	\$	19,530	
Communication		2,814	
Maintenance Agreements		195	
Maintenance and Repair Services - Equipment		13,289	
Office Supplies		1,409	
Road Signs		3,846	
Other Charges		7,738	
Other Equipment		9,935	
Total Other Emergency Management			\$ 69,816

County Coroner/Medical Examiner

Other Salaries and Wages	\$	2,150	
Other Per Diem and Fees		10,659	
Total County Coroner/Medical Examiner			12,809

Other Public Safety

Guards	\$	52,438	
Total Other Public Safety			52,438

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	6,600	
Communication		3,319	
Maintenance and Repair Services - Buildings		15,585	
Custodial Supplies		6	
Drugs and Medical Supplies		1,122	
Instructional Supplies and Materials		88,959	
Office Supplies		2,411	
Utilities		12,132	
Total Local Health Center			130,134

Ambulance/Emergency Medical Services

Supervisor/Director	\$	47,981	
Medical Personnel		469,522	
Part-time Personnel		141,323	
Other Salaries and Wages		2,900	
Communication		4,705	
Contracts with Government Agencies		11,697	
Dues and Memberships		500	
Maintenance and Repair Services - Buildings		440	
Maintenance and Repair Services - Vehicles		46,452	
Other Contracted Services		2,499	
Custodial Supplies		1,509	
Drugs and Medical Supplies		31,120	
Gasoline		21,698	
Office Supplies		815	
Uniforms		4,873	

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Utilities	\$	9,109	
Other Charges		22,449	
Other Equipment		1,387	
Total Ambulance/Emergency Medical Services			\$ 820,979

Alcohol and Drug Programs

Other Salaries and Wages	\$	185,110	
Travel		9,978	
Office Supplies		45,554	
Other Charges		59,332	
Total Alcohol and Drug Programs			299,974

Appropriation to State

Other Contracted Services	\$	10,720	
Total Appropriation to State			10,720

Other Public Health and Welfare

Other Salaries and Wages	\$	84,167	
Travel		4,893	
Other Contracted Services		10,000	
Office Supplies		3,629	
Other Charges		16,717	
Total Other Public Health and Welfare			119,406

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	21,616	
Salary Supplements		3,000	
Other Salaries and Wages		5,644	
Social Security		1,290	
Unemployment Compensation		21	
Communication		2,252	
Postal Charges		245	
Travel		702	
Remittance of Revenue Collected		3,405	
Instructional Supplies and Materials		10,100	
Utilities		22,703	
Other Charges		40,909	
Total Senior Citizens Assistance			111,887

Libraries

Supervisor/Director	\$	24,068	
Part-time Personnel		9,511	
Other Salaries and Wages		20,292	
Communication		2,581	
Dues and Memberships		110	
Travel		226	

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Other Contracted Services	\$	750	
Custodial Supplies		1,322	
Electricity		3,862	
Instructional Supplies and Materials		5,403	
Library Books/Media		7,808	
Office Supplies		3,798	
Periodicals		51	
Water and Sewer		1,237	
Other Supplies and Materials		1,219	
Other Charges		29	
Office Equipment		4,064	
Total Libraries			\$ 86,331

Parks and Fair Boards

Other Salaries and Wages	\$	9,600	
Maintenance and Repair Services - Buildings		17,873	
Remittance of Revenue Collected		4,150	
Electricity		15,488	
Natural Gas		3,163	
Water and Sewer		2,968	
Other Charges		424	
Total Parks and Fair Boards			53,666

Other Social, Cultural, and Recreational

Contributions	\$	10,058	
Total Other Social, Cultural, and Recreational			10,058

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	39,194	
Social Security		20,967	
Extension Service Medicare		668	
Communication		2,704	
Contributions		21,578	
Data Processing Equipment		2,075	
Total Agricultural Extension Service			87,186

Forest Service

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

Soil Conservation

Secretary(ies)	\$	22,817	
Other Salaries and Wages		35,206	
Communication		2,355	
Utilities		1,258	
Premiums on Corporate Surety Bonds		180	
Total Soil Conservation			61,816

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations

Tourism

Clerical Personnel	\$	200	
Advertising		30,784	
Communication		2,401	
Contributions		1,279	
Dues and Memberships		545	
Postal Charges		11	
Travel		1,612	
Office Supplies		4,763	
Other Charges		18,182	
Total Tourism			\$ 59,777

Industrial Development

Advertising	\$	8,948	
Consultants		26,754	
Travel		4,236	
Instructional Supplies and Materials		100	
Office Supplies		3,108	
Total Industrial Development			43,146

Veterans' Services

Other Salaries and Wages	\$	22,000	
In-service Training		449	
Other Charges		900	
Total Veterans' Services			23,349

Other Charges

Excess Risk Insurance	\$	3,690	
Liability Insurance		174,655	
Trustee's Commission		69,685	
Workers' Compensation Insurance		106,488	
Total Other Charges			354,518

Employee Benefits

Social Security	\$	233,156	
Pensions		212,340	
Medical Insurance		95,799	
Unemployment Compensation		2,023	
Other Fringe Benefits		7,930	
Total Employee Benefits			551,248

Highways

Litter and Trash Collection

Supervisor/Director	\$	15,277	
Other Charges		8,900	
Total Litter and Trash Collection			24,177

Total General Fund \$ 6,777,524

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$	49,027	
Other Capital Outlay		<u>30,084</u>	
Total County Buildings			\$ 79,111

Other Operations

Other Charges

Trustee's Commission	\$	514	
Total Other Charges			<u>514</u>

Total Courthouse and Jail Maintenance Fund \$ 79,625

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Truck Drivers	\$	40,721	
Laborers		248,400	
Clerical Personnel		25,276	
Social Security		23,820	
Unemployment Compensation		471	
Communication		2,184	
Contracts with Private Agencies		156,588	
Maintenance and Repair Services - Buildings		5,584	
Maintenance and Repair Services - Equipment		5,455	
Maintenance and Repair Services - Vehicles		51,434	
Postal Charges		5	
Rentals		3,667	
Travel		33	
Custodial Supplies		5,408	
Electricity		4,599	
Gasoline		47,650	
Natural Gas		1,477	
Office Supplies		2,177	
Tires and Tubes		7,344	
Uniforms		3,159	
Water and Sewer		592	
Other Charges		9,298	
Site Development		2,234	
Solid Waste Equipment		<u>87,817</u>	
Total Waste Pickup			\$ 735,393

Other Operations

Other Charges

Trustee's Commission	\$	11,936	
Total Other Charges			<u>11,936</u>

Total Solid Waste/Sanitation Fund 747,329

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control Fund

Public Safety

Drug Enforcement

Contributions	\$	2,159	
Other Supplies and Materials		921	
Other Charges		203	
Law Enforcement Equipment		11,864	
Motor Vehicles		25,000	
Total Drug Enforcement			\$ 40,147

Other Operations

Other Charges

Trustee's Commission	\$	33	
Total Other Charges			33

Total Drug Control Fund \$ 40,180

Other Special Revenue Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$	18,656	
Other Charges		15,000	
Motor Vehicles		161,000	
Site Development		5,685	
Solid Waste Equipment		49,934	
Total County Buildings			\$ 250,275

Total Other Special Revenue Fund 250,275

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		23,942	
Constitutional Officers' Operating Expenses		2,168	
Total County Trustee's Office			\$ 107,326

Total Constitutional Officers - Fees Fund 107,326

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	89,338	
Accountants/Bookkeepers		37,769	
Secretary(ies)		32,240	
Advertising		96	
Communication		1,916	
Data Processing Services		12,842	
Dues and Memberships		2,515	
Postal Charges		468	

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Other Contracted Services	\$	11,630	
Other Charges		4,985	
Total Administration			\$ 193,799

Highway and Bridge Maintenance

Equipment Operators	\$	278,673	
Truck Drivers		161,375	
Laborers		209,295	
Rentals		4,099	
Other Contracted Services		3,480	
Asphalt - Hot Mix		1,220,836	
Asphalt - Liquid		339,373	
Concrete		5,000	
Crushed Stone		268,431	
Pipe		35,104	
Road Signs		3,200	
Salt		10,000	
Other Supplies and Materials		1,484	
Other Charges		3,160	
State Aid Projects		26,537	
Total Highway and Bridge Maintenance			2,570,047

Operation and Maintenance of Equipment

Mechanic(s)	\$	30,189	
Maintenance and Repair Services - Equipment		24,168	
Diesel Fuel		90,452	
Equipment and Machinery Parts		44,681	
Gasoline		31,391	
Lubricants		11,525	
Natural Gas		1,840	
Tires and Tubes		25,287	
Other Supplies and Materials		1,517	
Other Charges		74	
Total Operation and Maintenance of Equipment			261,124

Other Charges

Electricity	\$	3,080	
Water and Sewer		1,300	
Excess Risk Insurance		2,005	
Trustee's Commission		19,295	
Vehicle and Equipment Insurance		31,692	
Workers' Compensation Insurance		90,347	
Total Other Charges			147,719

Employee Benefits

Social Security	\$	50,365	
Pensions		55,464	

(Continued)

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Medical Insurance	\$	58,656	
Unemployment Compensation		6,845	
Employer Medicare		11,779	
Other Fringe Benefits		<u>1,690</u>	
Total Employee Benefits	\$		184,799

Capital Outlay

Bridge Construction	\$	18,014	
Highway Equipment		<u>563,200</u>	
Total Capital Outlay			<u>581,214</u>

Total Highway/Public Works Fund \$ 3,938,702

General Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$	<u>350,000</u>	
Total Education	\$		350,000

Interest on Debt

Education

Interest on Bonds	\$	<u>93,000</u>	
Total Education			93,000

Other Debt Service

General Government

Trustee's Commission	\$	<u>6,727</u>	
Total General Government			6,727

Education

Other Debt Service	\$	<u>450</u>	
Total Education			<u>450</u>

Total General Debt Service Fund 450,177

Total Governmental Funds - Primary Government \$ 12,391,138

CLAY COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Clay County School Department
For the Year Ended June 30, 2024

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	3,471,656	
Career Ladder Program		8,000	
Educational Assistants		168,391	
Certified Substitute Teachers		45,383	
Non-certified Substitute Teachers		41,313	
Social Security		212,876	
Pensions		185,051	
Medical Insurance		382,067	
Unemployment Compensation		2,162	
Local Retirement		77,898	
Employer Medicare		50,924	
Maintenance and Repair Services - Equipment		857	
Other Contracted Services		29,403	
Instructional Supplies and Materials		73,220	
Textbooks - Bound		48,941	
Other Supplies and Materials		22,312	
TISA - On-behalf Payments		16,141	
Other Charges		4,183	
Regular Instruction Equipment		59,288	
Total Regular Instruction Program			\$ 4,900,066

Alternative Instruction Program

Teachers	\$	65,090	
Certified Substitute Teachers		303	
Non-certified Substitute Teachers		140	
Social Security		3,985	
Pensions		4,453	
Medical Insurance		4,502	
Unemployment Compensation		18	
Employer Medicare		932	
Instructional Supplies and Materials		104	
Total Alternative Instruction Program			79,527

Special Education Program

Teachers	\$	373,542	
Career Ladder Program		1,000	
Homebound Teachers		32,726	
Educational Assistants		62,382	
Certified Substitute Teachers		57	
Non-certified Substitute Teachers		3,209	
Social Security		27,333	
Pensions		27,760	
Medical Insurance		40,779	
Unemployment Compensation		314	
Local Retirement		4,872	
Employer Medicare		6,393	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Food Supplies	\$	424	
Instructional Supplies and Materials		152	
Special Education Equipment		5,692	
Total Special Education Program			\$ 586,635

Career and Technical Education Program

Teachers	\$	221,046	
Other Salaries and Wages		1,058	
Certified Substitute Teachers		4,023	
Non-certified Substitute Teachers		1,368	
Social Security		13,818	
Pensions		9,339	
Unemployment Compensation		112	
Local Retirement		7,463	
Employer Medicare		3,265	
Travel		8,622	
Other Contracted Services		77,665	
Instructional Supplies and Materials		6,458	
Other Supplies and Materials		86,674	
Vocational Instruction Equipment		1,362	
Total Career and Technical Education Program			442,273

Support Services

Attendance

Supervisor/Director	\$	39,840	
Social Security		2,191	
Pensions		2,713	
Medical Insurance		6,679	
Unemployment Compensation		10	
Employer Medicare		513	
Travel		1,966	
Other Contracted Services		5,652	
Other Supplies and Materials		100	
Other Charges		2,766	
Total Attendance			62,430

Health Services

Medical Personnel	\$	123,545	
Other Salaries and Wages		74,824	
Social Security		11,132	
Pensions		13,292	
Medical Insurance		23,539	
Unemployment Compensation		100	
Employer Medicare		2,603	
Licenses		100	
Travel		2,002	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Drugs and Medical Supplies	\$	1,067	
Other Supplies and Materials		2,563	
Health Equipment		663	
Total Health Services			\$ 255,430

Other Student Support

Guidance Personnel	\$	154,439	
Social Security		9,488	
Pensions		8,602	
Unemployment Compensation		59	
Local Retirement		2,481	
Employer Medicare		2,219	
Evaluation and Testing		1,360	
Travel		3,419	
Other Contracted Services		523	
Other Charges		5,553	
Total Other Student Support			188,143

Regular Instruction Program

Supervisor/Director	\$	82,020	
Librarians		163,630	
Other Salaries and Wages		29,169	
Social Security		16,033	
Pensions		18,715	
Medical Insurance		22,362	
Unemployment Compensation		82	
Employer Medicare		3,750	
Travel		2,623	
Library Books/Media		6,997	
Other Supplies and Materials		3,245	
In Service/Staff Development		14,291	
Total Regular Instruction Program			362,917

Special Education Program

Supervisor/Director	\$	59,760	
Psychological Personnel		27,576	
Clerical Personnel		21,805	
Other Salaries and Wages		17,442	
Social Security		6,946	
Pensions		7,705	
Medical Insurance		14,072	
Unemployment Compensation		65	
Local Retirement		1,379	
Employer Medicare		1,624	
Other Contracted Services		77,716	
In Service/Staff Development		4,000	
Total Special Education Program			240,090

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Supervisor/Director	\$	40,510	
Career Ladder Program		1,000	
Social Security		2,512	
Pensions		2,827	
Medical Insurance		3,503	
Unemployment Compensation		10	
Employer Medicare		588	
Travel		580	
Total Career and Technical Education Program			\$ 51,530

Technology

Education Media Personnel	\$	41,122	
Instructional Computer Personnel		39,840	
Social Security		4,608	
Pensions		5,670	
Medical Insurance		11,737	
Unemployment Compensation		31	
Employer Medicare		1,078	
Internet Connectivity		61,062	
Travel		1,069	
Other Equipment		6,660	
Total Technology			172,877

Board of Education

Other Salaries and Wages	\$	2,400	
Board and Committee Members Fees		9,800	
In-service Training		225	
Social Security		684	
Pensions		93	
Life Insurance		2,896	
Unemployment Compensation		34	
Employer Medicare		176	
Advertising		5,362	
Audit Services		3,000	
Dues and Memberships		10,561	
Legal Services		5,349	
Travel		47	
Trustee's Commission		68,828	
Workers' Compensation Insurance		42,168	
Refund to Applicant for Criminal Investigation		1,830	
Other Charges		628	
Total Board of Education			154,081

Director of Schools

County Official/Administrative Officer	\$	95,203	
Career Ladder Program		1,000	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Social Security	\$	5,965	
Pensions		6,551	
Unemployment Compensation		21	
Employer Medicare		1,395	
Communication		21,957	
Dues and Memberships		12	
Postal Charges		3,783	
Travel		1,370	
Office Supplies		633	
Total Director of Schools			\$ 137,890

Office of the Principal

Principals	\$	244,016	
Career Ladder Program		1,000	
Assistant Principals		163,837	
Secretary(ies)		79,407	
Clerical Personnel		19,165	
Social Security		28,986	
Pensions		34,273	
Medical Insurance		53,600	
Unemployment Compensation		212	
Local Retirement		1,054	
Employer Medicare		6,779	
Communication		4,844	
Travel		1,617	
Other Contracted Services		1,200	
Other Charges		5,251	
Data Processing Equipment		1,049	
Total Office of the Principal			646,290

Fiscal Services

Accountants/Bookkeepers	\$	93,358	
Secretary(ies)		63,858	
Social Security		8,008	
Pensions		9,817	
Medical Insurance		14,072	
Unemployment Compensation		82	
Employer Medicare		2,163	
Travel		504	
Other Contracted Services		16,480	
Data Processing Supplies		1,497	
Office Supplies		2,302	
Software		11,366	
Other Charges		62	
Administration Equipment		3,102	
Total Fiscal Services			226,671

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Custodial Personnel	\$	72,699	
Social Security		4,149	
Pensions		4,751	
Medical Insurance		10,350	
Unemployment Compensation		84	
Employer Medicare		970	
Maintenance and Repair Services - Equipment		11,624	
Travel		245	
Contracts for Landfill Facilities		12,446	
Other Contracted Services		261,439	
Custodial Supplies		30,874	
Electricity		325,859	
Fuel Oil		16,950	
Water and Sewer		33,086	
Other Supplies and Materials		240	
Building and Contents Insurance		89,460	
Other Charges		1,532	
Plant Operation Equipment		31,931	
Total Operation of Plant			\$ 908,689

Maintenance of Plant

Other Salaries and Wages	\$	194,999	
Social Security		11,613	
Pensions		14,087	
Medical Insurance		20,397	
Unemployment Compensation		104	
Employer Medicare		2,716	
Maintenance and Repair Services - Buildings		4,194	
Maintenance and Repair Services - Equipment		15,140	
Rentals		926	
Food Supplies		429	
Other Supplies and Materials		19,961	
Maintenance Equipment		4,434	
Total Maintenance of Plant			289,000

Transportation

Mechanic(s)	\$	44,974	
Bus Drivers		281,656	
Longevity Pay		3,750	
Other Salaries and Wages		10,170	
Social Security		20,543	
Pensions		23,189	
Medical Insurance		15,119	
Unemployment Compensation		292	
Employer Medicare		4,804	
Communication		3,773	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Contracts with Parents	\$	591	
Licenses		660	
Maintenance and Repair Services - Vehicles		8,864	
Medical and Dental Services		2,617	
Travel		2,244	
Other Contracted Services		312	
Diesel Fuel		67,008	
Gasoline		24,512	
Lubricants		3,459	
Tires and Tubes		8,223	
Vehicle Parts		19,781	
Other Supplies and Materials		1,176	
Vehicle and Equipment Insurance		24,240	
Other Charges		3,756	
Transportation Equipment		115,771	
Total Transportation			\$ 691,484

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	92,587	
Cafeteria Personnel		5,200	
Social Security		5,328	
Pensions		5,891	
Unemployment Compensation		53	
Employer Medicare		1,414	
Communication		995	
Travel		1,502	
Food Supplies		1,028	
Total Food Service			113,998

Community Services

Supervisor/Director	\$	24,000	
Other Salaries and Wages		4,495	
Social Security		1,749	
Pensions		1,697	
Unemployment Compensation		18	
Local Retirement		2	
Employer Medicare		409	
Travel		53	
Other Supplies and Materials		1,886	
Other Charges		250	
Total Community Services			34,559

Early Childhood Education

Teachers	\$	161,854	
Educational Assistants		68,738	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Non-certified Substitute Teachers	\$	1,746	
Social Security		12,346	
Pensions		14,103	
Medical Insurance		47,995	
Unemployment Compensation		159	
Local Retirement		2,249	
Employer Medicare		2,887	
Travel		396	
Other Contracted Services		840	
Instructional Supplies and Materials		4,566	
Total Early Childhood Education			\$ 317,879

Capital Outlay

Regular Capital Outlay

Architects	\$	25,639	
Building Construction		32,559	
Building Improvements		330,823	
Communication Equipment		18,664	
Heating and Air Conditioning Equipment		8,242	
Site Development		22,572	
Other Capital Outlay		46,096	
Total Regular Capital Outlay			484,595

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	350,000	
Total Education			350,000

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	93,000	
Total Education			93,000

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	450	
Total Education			450

Total General Purpose School Fund \$ 11,790,504

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	178,572	
Educational Assistants		171,896	
Other Salaries and Wages		1,000	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	19,473	
Pensions		23,070	
Medical Insurance		54,063	
Unemployment Compensation		362	
Employer Medicare		4,554	
Other Contracted Services		18,806	
Instructional Supplies and Materials		45,455	
Software		52,549	
Regular Instruction Equipment		65,018	
Total Regular Instruction Program			\$ 634,818

Special Education Program

Educational Assistants	\$	112,678	
Other Salaries and Wages		2,300	
Non-certified Substitute Teachers		1,248	
Social Security		6,562	
Pensions		7,919	
Medical Insurance		18,383	
Unemployment Compensation		196	
Local Retirement		50	
Employer Medicare		1,535	
Other Contracted Services		24,675	
Instructional Supplies and Materials		17,134	
Special Education Equipment		1,918	
Total Special Education Program			194,598

Career and Technical Education Program

Instructional Supplies and Materials	\$	1,266	
Other Supplies and Materials		2,413	
Other Charges		304	
Vocational Instruction Equipment		11,536	
Total Career and Technical Education Program			15,519

Support Services

Other Student Support

Other Salaries and Wages	\$	1,478	
Employer Medicare		21	
Travel		4,895	
Other Contracted Services		1,103	
In Service/Staff Development		886	
Other Charges		576	
Total Other Student Support			8,959

Regular Instruction Program

Supervisor/Director	\$	55,808	
Educational Assistants		396	

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	91,396	
Social Security		4,738	
Pensions		5,652	
Medical Insurance		9,532	
Unemployment Compensation		84	
Employer Medicare		2,060	
Postal Charges		500	
Travel		711	
Other Contracted Services		144,320	
Other Supplies and Materials		1,056	
In Service/Staff Development		1,732	
Other Equipment		1,141	
Total Regular Instruction Program			\$ 319,126

Special Education Program

Psychological Personnel	\$	27,576	
Other Salaries and Wages		37,169	
Social Security		3,180	
Pensions		3,345	
Medical Insurance		19,281	
Unemployment Compensation		42	
Local Retirement		1,379	
Employer Medicare		744	
Contracts with Other Public Agencies		1,015	
Maintenance and Repair Services - Equipment		358	
Postal Charges		600	
Travel		1,807	
Other Contracted Services		33,250	
Other Supplies and Materials		3,309	
In Service/Staff Development		2,611	
Total Special Education Program			135,666

Career and Technical Education Program

In Service/Staff Development	\$	1,360	
Total Career and Technical Education Program			1,360

Transportation

Bus Drivers	\$	5,000	
Social Security		310	
Pensions		360	
Unemployment Compensation		15	
Employer Medicare		72	
Total Transportation			5,757

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Teachers	\$	41,702	
Educational Assistants		113	
Social Security		2,469	
Pensions		2,068	
Unemployment Compensation		74	
Local Retirement		933	
Employer Medicare		578	
Instructional Supplies and Materials		1,167	
In Service/Staff Development		1,262	
Total Community Services			\$ 50,366

Capital Outlay

Regular Capital Outlay

Architects	\$	57,354	
Building Improvements		633,579	
Total Regular Capital Outlay			690,933

Total School Federal Projects Fund \$ 2,057,102

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	263,315	
In-service Training		437	
Social Security		15,744	
Pensions		17,845	
Medical Insurance		21,416	
Unemployment Compensation		344	
Employer Medicare		3,684	
Communication		1,656	
Maintenance and Repair Services - Equipment		8,846	
Transportation - Other than Students		5,424	
Other Contracted Services		6,327	
Food Preparation Supplies		4,571	
Food Supplies		391,470	
Office Supplies		750	
USDA - Commodities		34,814	
Other Supplies and Materials		16,598	
Workers' Compensation Insurance		6,720	
In Service/Staff Development		258	
Food Service Equipment		26,069	
Total Food Service			\$ 826,288

Total Central Cafeteria Fund 826,288

(Continued)

CLAY COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Clay County School Department (Cont.)

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges

\$ 601,328

Total Community Services

\$ 601,328

Total Internal School Fund

\$ 601,328

Total Governmental Funds - Clay County School Department

\$ 15,275,222

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

**Independent Auditor's 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***

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clay County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Clay County's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 25, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Clay County School Department (discretely presented component unit) as described in our report on Clay 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 Clay County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clay County's internal control. Accordingly, we do not express an opinion on the effectiveness of Clay 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 and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified the following deficiency in internal

control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2024-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clay 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2024-002.

Clay County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Clay County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Clay 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 Clay 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

October 25, 2024

JEM/gc



JASON E. MUMPOWER
Comptroller

Independent Auditor's 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

Clay County Mayor and
Board of County Commissioners
Clay 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 Clay 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 Clay County's major federal programs for the year ended June 30, 2024. Clay 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, Clay 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, 2024.

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; the standards applicable to financial audits contained in *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 Clay 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 Clay 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 Clay 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 Clay 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 generally accepted auditing standards, *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 noncompliance 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 Clay County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Clay 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 Clay 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 Clay 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clay County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Clay County's basic financial statements. We issued our report thereon dated October 25, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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

October 25, 2024

JEM/gc

CLAY COUNTY, TENNESSEE, AND THE CLAY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8)
For the Year-Ended June 30, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 193,642
National School Lunch Program	10.555	N/A	486,031 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	235TN102S900945	3,256
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program(Commodities - Noncash Assistance)	10.555	N/A	34,814 (6)
Rebate of Storage and Distribution Fees	10.555	N/A	1,266 (6)
Total U.S. Department of Agriculture			<u>\$ 719,009</u>
U.S. Department of Transportation:			
Passed-through State Department of Safety and Homeland Security:			
Alcohol Open Container Requirements	20.607	(5)	\$ 7,998
Total U.S. Department of Transportation			<u>\$ 7,998</u>
U.S. Department of the Treasury:			
Passed-through State Department of Tourist Development:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	(5)	\$ 8,714 (6)
Passed-through State Department of Education:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	N/A	18,399 (6)
Direct Program:			
COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	N/A	14,100
Total U.S. Department of the Treasury			<u>\$ 41,213</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 500,836
Special Education Cluster: (4)			
Special Education Grants to States	84.027	N/A	316,371
Special Education Preschool Grants	84.173	N/A	19,648
Career and Technical Education -- Basic Grants to States	84.048	N/A	25,264
Twenty-First Century Community Learning Centers	84.287	N/A	50,366
Rural Education	84.358	N/A	32,191
Supporting Effective Instruction State Grants (formerly Improving Teacher			
Quality State Grants)	84.367	N/A	72,176
COVID 19 - Comprehensive Literacy Development	84.371	N/A	102,800
Student Support and Academic Enrichment Program	84.424	N/A	42,665
COVID 19 - Education Stabilization Fund Program -- Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	N/A	129,307 (6)
COVID 19 - Education Stabilization Fund Program -- Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	780,528 (6)
Direct Program:			
Impact Aid	84.041	N/A	123,721
Total U.S. Department of Education			<u>\$ 2,195,873</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(5)	\$ 90,297
Total U.S. Election Assistance Commission			<u>\$ 90,297</u>

(Continued)

CLAY COUNTY, TENNESSEE, AND THE CLAY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through Upper Cumberland Development District:			
Aging Cluster: (4)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(5)	\$ 31,580
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(5)	9,498 (6)
COVID 19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(5)	2,310 (6)
Passed-through State Department of Health:			
Health Center Program Cluster: (4)			
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	GG-23-80787-00	86,959
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Z-23-260631-00	181,404
Grants for Capital Development in Health Centers	93.526	GG-23-77752-01	2,000
Passed-through Power of Putnam, Inc.:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	(5)	35,301
Direct Program:			
Drug-Free Communities Support Program Grants	93.276	N/A	122,711
Passed-through Tennessee Bureau of Investigation:			
Temporary Assistance for Needy Families	93.558	(5)	53,197
Passed-through State Department of Mental Health and Substance Abuse Services:			
Opioid STR	93.788	(5)	54,372
COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	(5)	47,221 (6)
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(5)	77,860 (6)
Total U.S. Department of Health and Human Services			<u>\$ 704,413</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(5)	\$ 9,931
Total U.S. Department of Homeland Security			<u>\$ 9,931</u>
Total Expenditures of Federal Grants			<u><u>\$ 3,768,734</u></u>
State Grants		Contract Number	
Court Security Program - Tennessee Administrative Office of the Courts	N/A	(5)	\$ 10,800
Juvenile Court State Supplement Funds - State Department of Children's Services	N/A	(5)	9,000
Innovative School Models (ISM) - State Department of Education	N/A	N/A	338,463
State Special Education Preschool - State Department of Education	N/A	N/A	10,821
Summer Learning Camp - State Department of Education	N/A	N/A	78,593
Summer Learning Transportation - State Department of Education	N/A	N/A	17,719
Voluntary Pre-K - State Department of Education	N/A	N/A	318,342
Youth Risk Behavior Survey (YRBS) - State Department of Education	N/A	N/A	600
Convenience Center Grant - State Department of Environment and Conservation	N/A	(5)	45,899
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(5)	20,017
Enforcing Underage Drinking Laws (EUDL) Grant - State Department of Mental Health and Substance Abuse Services	N/A	(5)	1,200
Substance Use Prevention Coalitions Grant - State Department of Mental Health and Substance Abuse Services	N/A	(5)	35,438
Statewide School Resource Officer (SRO) Grant Program - State Department of Safety and Homeland Security	N/A	(5)	300,000
Tourism Cooperative Marketing Matching Grants - State Department of Tourist Development	N/A	(5)	5,470

(Continued)

CLAY COUNTY, TENNESSEE, AND THE CLAY COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (8) (Cont.)

	Assistance Listing Number	Contract Number	Expenditures
State Grants (Cont.)			
Litter Program - State Department of Transportation	N/A	(5)	\$ 43,652
Arts Program Categorical Grants - Tennessee Arts Commission	N/A	(5)	100,000
Arts Program Categorical Grants: Touring Grant - Tennessee Arts Commission	N/A	(5)	2,500
Governor's Investment in Vocational Education (GIVE) - Tennessee College of Applied Technology (ICAT) - Livingston, Tennessee	N/A	(5)	24,962
Senior Citizens Competitive Grant - Tennessee Commission on Aging and Disability	N/A	(5)	8,000
TCI Equipment Training Grants - Tennessee Corrections Institute	N/A	(5)	12,853
Supporting Postsecondary Access in Rural Communities (SPARC) - Tennessee Higher Education Commission	N/A	(5)	118,264
County Election Commissions Assistance - Tennessee Secretary of State	N/A	(5)	4,753
Aging Program - Upper Cumberland Development District	N/A	(5)	6,160
On-the-Job Learning (OJL) - Upper Cumberland Local Workforce Development Board	N/A	(5)	5,000
Total State Grants			<u>\$ 1,518,506</u>

ALN = Assistance Listing Number

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Clay 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) Child Nutrition Cluster total \$715,753; Special Education Cluster total \$336,019; Aging Cluster total \$43,388; Health Center
Program Cluster total \$86,959.
(5) Information not available.
(6) Total for ALN 10.555 is \$522,111; Total for ALN 21.027 is \$27,113; Total for ALN 84.425 is \$909,835;
Total for ALN 93.045 is \$11,808; Total for ALN 93.959 is \$125,081.
(7) CONSOLIDATED ADMINISTRATION

Program Title	ALN	Amount
Title I Grants to Local Educational Agencies	84.010	\$ 38,942
Supporting Effective Instruction State Grant	84.367	1,811
Rural Education	84.358	453
Total amounts consolidated for administration purposes		<u>\$ 41,206</u>

(8) AMOUNTS TRANSFERRED

Program Title	Amount
From Title IV, Part A (FAL No. 84.424) to Title II, Part A (FAL No. 84.367)	<u>\$ 42,665</u>

CLAY COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2024

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 Clay County, Tennessee, for the year ended June 30, 2024.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF COUNTY MAYOR					
2023	179	2023-001	The General and Other Special Revenue funds required material audit adjustments for proper financial statement presentation	N/A	Corrected
OFFICES OF COUNTY MAYOR AND ROAD SUPERINTENDENT					
2023	180	2023-002	The offices had not established formal purchase order systems.	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

CLAY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Clay 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 Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * 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 COUNTY MAYOR AND ROAD SUPERINTENDENT

FINDING 2024-001

THE OFFICES HAD NOT ESTABLISHED FORMAL PURCHASE ORDER SYSTEMS

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

Formal purchase order systems had not been established in the Offices of County Mayor and Road Superintendent. Purchase orders are necessary to control who has purchasing authority for the offices and to document purchasing commitments. The absence of a formal purchase order system increases the risks of unauthorized purchases. This deficiency exists due to management's failure to correct the findings noted in the prior-year audit reports.

RECOMMENDATION

Management in the Offices of County Mayor and Road Superintendent should establish formal purchase order systems to improve internal controls over the purchasing process and to document purchasing commitments.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this finding.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

I concur with this finding.

OFFICE OF ROAD SUPERINTENDENT

FINDING 2024-002

AN INVESTIGATION REVEALED THE ROAD SUPERINTENDENT MISAPPROPRIATED HIGHWAY DEPARTMENT FUEL FOR HIS PERSONAL USE

(Noncompliance Under *Government Auditing Standards*)

On September 11, 2024, the Comptroller's Division of Investigations issued an investigative report on the Clay County Highway Department. This report disclosed that the road superintendent misappropriated at least \$56,971 in 16,200 gallons of diesel fuel for his personal transportation business from July 2021 through July 2023. These actions resulted in indictments on multiple charges that are listed in the report which is available at www.comptroller.tn.gov/ia.

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, 2024.

CLAY COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2024-001	The office had not established formal purchase order system.	172
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OFFICE OF ROAD SUPERINTENDENT

2024-001	The office had not established formal purchase order system.	173
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**AUDITOR'S COMMENT ON COUNTY MAYOR AND ROAD SUPERINTENDENT'S
CORRECTIVE ACTION PLANS**

2024-001	The office had not established formal purchase order system.	174
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Clay County Government

Dale Reagan, County Mayor
Email: clayexec@twlakes.net



145 Cordell Hull Drive, P.O. Box 387, Celina, TN 38551 * Phone #: 931-243-2161 * Fax #: 931-243-2436

Corrective Action Plan

FINDING: 2024-001

THE OFFICE HAD NOT ESTABLISHED FORMAL PURCHASE ORDER SYSTEM

Response and Corrective Action Plan Prepared by:
Dale Reagan, Clay County Mayor

Person Responsible for Implementing the Corrective Action:
Dale Reagan, Clay County Mayor

Anticipated Completion Date of Corrective Action:
None

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Clay County Government is not financial equipped at this time to make this correction.

Planned Corrective Action:
Clay County Government does not have a formal purchasing order system. Although best practice would be to establish a central system of accounting with the highway department and the department of education, we do not feel it is financially feasible at this time.

A handwritten signature in blue ink, appearing to read "Dale Reagan", is written over a horizontal line.

Dale Reagan

Mayor of Clay County, Tennessee

Clay County Highway Department
1199 Walnut Avenue
Celina, TN 38551
931-243-2611
Jason Browning, Highway Commissioner

Corrective Action Plan

**FINDING: THE OFFICE HAD NOT ESTABLISHED A FORMAL
PURCHASE ORDER SYSTEM**

Response and Corrective Action Plan Prepared by:
Jason Browning, Highway Commissioner

Person Responsible for Implementing the Corrective Action:
Jason Browning, Highway Commissioner

Anticipated Completion Date of Corrective Action:

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Clay County is not equipped to establish a central system of accounting.

Planned Corrective Action:
Can't be corrected at this time, due to finances.

Signature: 

**AUDITOR'S COMMENT ON COUNTY MAYOR AND ROAD SUPERINTENDENT'S
CORRECTIVE ACTION PLANS**

FINDING 2024-001

**THE OFFICES HAD NOT ESTABLISHED FORMAL PURCHASE
ORDER SYSTEMS**

A formal purchase order system can be implemented without a central system of accounting, budgeting, and purchasing at nominal cost to the county. Many non-centralized counties have implemented a formal purchase order system. Purchase orders are an important internal control over the purchasing process.

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 Clay County.

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

Clay 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 Clay 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.