



ANNUAL FINANCIAL REPORT

Polk County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
POLK 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.

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in nine findings and recommendations, which we have reviewed with Polk 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 EXECUTIVE, DIRECTOR OF ACCOUNTS AND BUDGETS, AND HIGHWAY SUPERINTENDENT

- ◆ The director of accounts and budgets did not maintain the accounting records for the highway department.
- ◆ Polk County has a material recurring audit finding.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ Accounting records for the year ended June 30, 2024, were not closed and available for audit by August 31, 2024, and accounting records for the school department were not maintained on a timely basis.
- ◆ The office had deficiencies in the issuance of purchase orders.
- ◆ The office had deficiencies in budget operations.
- ◆ The office had accounting deficiencies.
- ◆ General ledger payroll liability accounts were not reconciled.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ An investigation of the circuit and general sessions courts clerk disclosed deficiencies related to payroll and deficiencies related to a signature stamp not being properly secured.



INTRODUCTORY SECTION

POLK COUNTY OFFICIALS

June 30, 2024

Officials

Robert Hatcher, County Executive
Roy Gene Thomason Jr., Highway Superintendent
Dr. James Jones, Director of Schools
Gina Hicks Burchfiel, Trustee
Jason Pankey, Assessor of Property
Jackie Rogers, County Clerk
Melissa Keith Jenkins, Circuit and General Sessions Courts Clerk
Kimberly Ingram, Clerk and Master
Kile Swafford, Register of Deeds
Steve Ross, Sheriff
Catrice Lowe, Director of Accounts and Budgets

Board of County Commissioners

Christy Hardin, Chairman	Deborah Anne Davis
Keith Barker	James Davis
Shane Bowman	Kelley Morgan
Greg Brooks	John Pippenger
Danny Carver	Samantha Trantham

Board of Education

Jill Rose, Chairman	Jayson Lamb
Dustin Cain	Alex Pell
Josh Cain	Nick Ratcliff
Angie Crowder	Tim Worthy
David Goode	Vacant

Audit Committee

Gary Silvers, Chairman	John Pippenger
Greg Barker	Joe Waters
Mike Curbow	

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Polk County Executive and
Board of County Commissioners
Polk County, Tennessee

To the County Executive and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk 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 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 Polk 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, a special revenue fund of the discretely presented Polk County School Department, which represent 1.69 percent, 1.85 percent, and 2.78 percent respectively, of the assets, net position, and revenues of the discretely presented Polk County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Polk County School Department is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Polk 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., Polk 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 Polk 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 Polk 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 Polk 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 OPEB liability 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 Polk 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 Polk 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 Polk County School Department (a discretely presented component unit),

and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2025, on our consideration of Polk 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 Polk 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 Polk County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2025

JEM/gc



BASIC FINANCIAL STATEMENTS SECTION

POLK COUNTY, TENNESSEE
Statement of Net Position
June 30, 2024

	Primary Governmental Activities	Component Unit Polk County School Department
ASSETS		
Cash	\$ 1,600	\$ 494,669
Equity in Pooled Cash and Investments	12,798,464	3,740,283
Accounts Receivable	103,543	107,551
Due from Other Governments	1,183,297	3,059,421
Due from Component Units	5,222	0
Property Taxes Receivable	13,996,567	1,242,465
Allowance for Uncollectible Property Taxes	(436,766)	(38,712)
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	255,361
Net Pension Asset - Teacher Retirement Plan	0	72,989
Net Pension Asset - Teacher Legacy Pension Plan	0	3,095,911
Capital Assets:		
Assets Not Depreciated:		
Land	50,300	401,500
Construction in Progress	250,193	598,365
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	6,814,774	10,372,286
Infrastructure	3,938,348	0
Other Capital Assets	2,117,480	3,335,606
Total Assets	<u>\$ 40,823,022</u>	<u>\$ 26,737,695</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Changes in Experience	\$ 444,338	\$ 920,565
Pension Changes in Investment Earnings	106,804	599,099
Pension Changes in Assumptions	627,657	1,318,616
Pension Changes in Proportion	0	196,993
Pension Contributions After Measurement Date	289,004	809,283
OPEB Changes in Experience	0	235,770
OPEB Changes in Assumptions	0	537,411
OPEB Changes in Proportion	0	154,195
OPEB Contributions After Measurement Date	0	116,872
Total Deferred Outflows of Resources	<u>\$ 1,467,803</u>	<u>\$ 4,888,804</u>

(Continued)

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Polk County School Department</u>
LIABILITIES		
Accounts Payable	\$ 64,984	\$ 121,839
Accrued Payroll	0	10,367
Payroll Deductions Payable	23,315	363,382
Contracts Payable	0	131,924
Accrued Interest Payable	37,264	0
Due to Primary Government	0	5,222
Due to State of Tennessee	598	4,433
Due to Other Governments	959,958	0
Noncurrent Liabilities:		
Due Within One Year - Debt	2,278,215	0
Due Within One Year - Other	16,574	319,868
Due in More Than One Year - Debt	413,342	0
Due in More Than One Year - Other	296,558	3,884,023
Total Liabilities	<u>\$ 4,090,808</u>	<u>\$ 4,841,058</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 13,101,159	\$ 1,125,868
Pension Changes in Experience	149,317	246,929
Pension Changes in Proportion	0	214,575
OPEB Changes in Experience	0	234,508
OPEB Changes in Assumptions	0	439,028
OPEB Changes in Proportion	0	153,177
Total Deferred Inflows of Resources	<u>\$ 13,250,476</u>	<u>\$ 2,414,085</u>
NET POSITION		
Net Investment in Capital Assets	\$ 12,408,595	\$ 14,707,757
Restricted for:		
General Government	1,595,703	0
Finance	129,028	0
Administration of Justice	780,161	0
Public Safety	323,943	0
Public Health and Welfare	265,088	0
Highways/Public Works	1,933,720	0
Debt Service	1,130,680	0
Capital Outlay	72,958	0
Education	0	2,186,745
Pensions	0	3,424,261
Unrestricted	<u>6,309,665</u>	<u>4,052,593</u>
Total Net Position	<u>\$ 24,949,541</u>	<u>\$ 24,371,356</u>

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

Exhibit B

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government	Polk County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,624,712	\$ 248,157	\$ 2,287,927	\$ 0	\$ 911,372	\$ 0
Finance	878,403	720,984	0	0	(157,419)	0
Administration of Justice	772,883	421,998	737,460	0	386,575	0
Public Safety	6,193,910	1,572,889	647,131	0	(3,973,890)	0
Public Health and Welfare	1,933,498	7,455	178,164	0	(1,747,879)	0
Social, Cultural, and Recreational Services	188,502	871	128,969	0	(58,662)	0
Agriculture and Natural Resources	111,153	0	0	0	(111,153)	0
Highways/Public Works	4,792,262	306,367	2,544,543	1,403,856	(537,496)	0
Education	372,766	0	0	959,145	586,379	0
Interest on Long-term Debt	192,641	0	0	0	(192,641)	0
Total Primary Government	\$ 17,060,730	\$ 3,278,721	\$ 6,524,194	\$ 2,363,001	\$ (4,894,814)	\$ 0
Component Unit:						
Polk County School Department	\$ 30,129,641	\$ 82,426	\$ 7,929,513	\$ 364,000	\$ 0	\$ (21,753,702)
Total Component Unit	\$ 30,129,641	\$ 82,426	\$ 7,929,513	\$ 364,000	\$ 0	\$ (21,753,702)

(Continued)

Exhibit B

POLK COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Polk County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 6,607,377	\$ 1,306,164	
Property Taxes Levied for Debt Service				1,018,396	0	
Local Option Sales Taxes				0	3,491,677	
Hotel/Motel Tax				157,564	0	
Litigation Tax - General				47,554	0	
Litigation Tax - Jail, Workhouse, or Courthouse				29,392	0	
Business Tax				87,615	0	
Wholesale Beer Tax				199,786	0	
Other Local Taxes				30,673	27,127	
Grants and Contributions Not Restricted to Specific Programs				926,781	18,016,832	
Unrestricted Investment Earnings				309,314	21,366	
Miscellaneous				137,830	129	
Sale of Equipment				13,020	0	
Donation of Capital Assets				0	1,000,000	
Total General Revenues				<u>\$ 9,565,302</u>	<u>\$ 23,863,295</u>	
Special Item - Loss on Disposal of Property (See Note I.D.9)				\$ (3,135,525)	\$ 0	
Insurance Recovery				0	45,093	
Change in Net Position				\$ 1,534,963	\$ 2,154,686	
Net Position, July 1, 2023				<u>23,414,578</u>	<u>22,216,670</u>	
Net Position, June 30, 2024				<u>\$ 24,949,541</u>	<u>\$ 24,371,356</u>	

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

POLK 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	6,604,585	234,523	1,418,393	1,505,529	1,026,630
Accounts Receivable	49,473	0	0	0	25,878
Due from Other Governments	698,272	29,118	0	425,352	30,555
Due from Other Funds	29,792	0	0	10,599	0
Due from Component Units	0	0	0	5,222	0
Property Taxes Receivable	10,455,232	1,722,404	0	0	1,818,931
Allowance for Uncollectible Property Taxes	(326,241)	(53,770)	0	0	(56,755)
Total Assets	<u>\$ 17,511,113</u>	<u>\$ 1,932,275</u>	<u>\$ 1,418,393</u>	<u>\$ 1,946,702</u>	<u>\$ 2,845,239</u>
LIABILITIES					
Accounts Payable	\$ 5,466	\$ 51,260	\$ 0	\$ 538	\$ 7,720
Payroll Deductions Payable	23,315	0	0	0	0
Due to Other Funds	10,599	0	0	0	0
Due to State of Tennessee	480	118	0	0	0
Due to Other Governments	0	0	0	0	0
Matured Interest on Bonds	0	0	0	0	5,827
Total Liabilities	<u>\$ 39,860</u>	<u>\$ 51,378</u>	<u>\$ 0</u>	<u>\$ 538</u>	<u>\$ 13,547</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 9,779,133	\$ 1,621,014	\$ 0	\$ 0	\$ 1,701,012
Deferred Delinquent Property Taxes	337,979	46,456	0	0	59,020
Other Deferred/Unavailable Revenue	51,026	0	0	211,910	0
Total Deferred Inflows of Resources	<u>\$ 10,168,138</u>	<u>\$ 1,667,470</u>	<u>\$ 0</u>	<u>\$ 211,910</u>	<u>\$ 1,760,032</u>

(Continued)

POLK COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

FUND BALANCES

Restricted:

	<u>Major Funds</u>				
	General	Solid Waste / Sanitation	Other Special Revenue	Highway / Public Works	General Debt Service
Restricted for General Government	\$ 173,973	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for General Government - American Rescue Plan Act	0	0	1,418,393	0	0
Restricted for Finance	99,236	0	0	0	0
Restricted for Administration of Justice	780,161	0	0	0	0
Restricted for Public Safety	120,640	0	0	0	0
Restricted for Public Health and Welfare	5,205	213,427	0	0	0
Restricted for Other Operations	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	1,734,254	0
Restricted for Debt Service	0	0	0	0	1,071,660
Restricted for Capital Projects	72,958	0	0	0	0

Committed:

Committed for Capital Outlay	0	0	0	0	0
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Assigned:

Assigned for General Government	31,266	0	0	0	0
Assigned for Finance	9,344	0	0	0	0
Assigned for Administration of Justice	5,057	0	0	0	0
Assigned for Public Safety	111,399	0	0	0	0
Assigned for Public Health and Welfare	2,967	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	4,762	0	0	0	0
Assigned for Agriculture and Natural Resources	668	0	0	0	0
Assigned for Other Operations	40,835	0	0	0	0

Unassigned

Unassigned	5,844,644	0	0	0	0
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Total Fund Balances

\$ 7,303,115	\$ 213,427	\$ 1,418,393	\$ 1,734,254	\$ 1,071,660
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Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 17,511,113	\$ 1,932,275	\$ 1,418,393	\$ 1,946,702	\$ 2,845,239
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(Continued)

POLK COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Nonmajor Funds	
	Other Govern- mental Funds	Total Governmental Funds
ASSETS		
Cash	\$ 1,600	\$ 1,600
Equity in Pooled Cash and Investments	2,008,804	12,798,464
Accounts Receivable	28,192	103,543
Due from Other Governments	0	1,183,297
Due from Other Funds	0	40,391
Due from Component Units	0	5,222
Property Taxes Receivable	0	13,996,567
Allowance for Uncollectible Property Taxes	0	(436,766)
	<hr/>	<hr/>
Total Assets	\$ 2,038,596	\$ 27,692,318
LIABILITIES		
Accounts Payable	\$ 0	\$ 64,984
Payroll Deductions Payable	0	23,315
Due to Other Funds	29,792	40,391
Due to State of Tennessee	0	598
Due to Other Governments	959,958	959,958
Matured Interest on Bonds	0	5,827
Total Liabilities	<hr/> \$ 989,750	<hr/> \$ 1,095,073
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 0	\$ 13,101,159
Deferred Delinquent Property Taxes	0	443,455
Other Deferred/Unavailable Revenue	0	262,936
Total Deferred Inflows of Resources	<hr/> \$ 0	<hr/> \$ 13,807,550

(Continued)

POLK COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

FUND BALANCES

	Nonmajor Funds	
	Other Govern- mental Funds	Total Governmental Funds
Restricted:		
Restricted for General Government	\$ 0	\$ 173,973
Restricted for General Government - American Rescue Plan Act	0	1,418,393
Restricted for Finance	0	99,236
Restricted for Administration of Justice	0	780,161
Restricted for Public Safety	203,303	323,943
Restricted for Public Health and Welfare	0	218,632
Restricted for Other Operations	3,337	3,337
Restricted for Highways/Public Works	0	1,734,254
Restricted for Debt Service	0	1,071,660
Restricted for Capital Projects	0	72,958
Committed:		
Committed for General Government	594,975	594,975
Committed for Capital Outlay	111,115	111,115
Assigned:		
Assigned for General Government	0	31,266
Assigned for Finance	0	9,344
Assigned for Administration of Justice	0	5,057
Assigned for Public Safety	136,116	247,515
Assigned for Public Health and Welfare	0	2,967
Assigned for Social, Cultural, and Recreational Services	0	4,762
Assigned for Agriculture and Natural Resources	0	668
Assigned for Other Operations	0	40,835
Unassigned	0	5,844,644
Total Fund Balances	<u>\$ 1,048,846</u>	<u>\$ 12,789,695</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,038,596</u>	<u>\$ 27,692,318</u>

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

Exhibit C-2

POLK 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 assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 12,789,695
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 50,300	
Add: construction in progress	250,193	
Add: buildings and improvements net of accumulated depreciation	6,814,774	
Add: infrastructure net of accumulated depreciation	3,938,348	
Add: other capital assets net of accumulated depreciation	<u>2,117,480</u>	13,171,095
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (150,000)	
Less: other loans payable	(2,541,557)	
Less: compensated absences payable	(165,738)	
Less: pension liability	(147,394)	
Less: accrued interest on debt	<u>(31,437)</u>	(3,036,126)
(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	\$ 1,467,803	
Less: deferred inflows of resources related to pensions	<u>(149,317)</u>	1,318,486
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>706,391</u>
Net position of governmental activities (Exhibit A)		<u>\$ 24,949,541</u>

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

POLK 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	\$ 6,515,014	\$ 820,038	\$ 0	\$ 0	\$ 1,121,590
Licenses and Permits	103,645	0	0	0	0
Fines, Forfeitures, and Penalties	104,734	0	0	0	0
Charges for Current Services	98,010	7,455	0	0	0
Other Local Revenues	251,426	0	23,897	308,027	285,411
Fees Received From County Officials	990,196	0	0	0	0
State of Tennessee	3,821,175	81,416	0	3,798,866	104,538
Federal Government	67,849	0	2,194,571	162,443	0
Other Governments and Citizens Groups	101,847	0	0	0	959,145
Total Revenues	\$ 12,053,896	\$ 908,909	\$ 2,218,468	\$ 4,269,336	\$ 2,470,684
Expenditures					
Current:					
General Government	\$ 1,331,982	\$ 0	\$ 0	\$ 0	\$ 0
Finance	876,065	0	0	0	0
Administration of Justice	772,387	0	0	0	0
Public Safety	6,296,019	0	0	0	0
Public Health and Welfare	1,192,402	773,441	0	0	0
Social, Cultural, and Recreational Services	187,298	0	0	0	0
Agriculture and Natural Resources	111,153	0	0	0	0
Other Operations	428,689	16,283	108,890	0	0
Highways	0	0	0	4,685,733	0
Debt Service:					
Principal on Debt	0	0	0	0	2,259,097
Interest on Debt	0	0	0	0	198,757
Other Debt Service	0	0	0	0	38,458

(Continued)

POLK 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
Expenditures (Cont.)					
Capital Projects - Donated	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	<u>\$ 11,195,995</u>	<u>\$ 789,724</u>	<u>\$ 108,890</u>	<u>\$ 4,685,733</u>	<u>\$ 2,496,312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 857,901</u>	<u>\$ 119,185</u>	<u>\$ 2,109,578</u>	<u>\$ (416,397)</u>	<u>\$ (25,628)</u>
Other Financing Sources (Uses)					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Proceeds from Sale of Capital Assets	0	0	0	0	0
Transfers In	159,406	8,494	0	9,667	153,299
Transfers Out	0	0	(177,567)	(153,299)	(594,975)
Special Item - Loss on Disposal of Property (See Note I.D.9.)	0	0	0	0	(3,135,525)
Total Other Financing Sources (Uses)	<u>\$ 159,406</u>	<u>\$ 8,494</u>	<u>\$ (177,567)</u>	<u>\$ (143,632)</u>	<u>\$ (3,577,201)</u>
Net Change in Fund Balances	<u>\$ 1,017,307</u>	<u>\$ 127,679</u>	<u>\$ 1,932,011</u>	<u>\$ (560,029)</u>	<u>\$ (3,602,829)</u>
Fund Balance, July 1, 2023	<u>6,285,808</u>	<u>85,748</u>	<u>(513,618)</u>	<u>2,294,283</u>	<u>4,674,489</u>
Fund Balance, June 30, 2024	<u><u>\$ 7,303,115</u></u>	<u><u>\$ 213,427</u></u>	<u><u>\$ 1,418,393</u></u>	<u><u>\$ 1,734,254</u></u>	<u><u>\$ 1,071,660</u></u>

(Continued)

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

	Nonmajor Funds	Total Governmental Funds
	Other Govern- mental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$ 0	\$ 8,456,642
Licenses and Permits	0	103,645
Fines, Forfeitures, and Penalties	56,439	161,173
Charges for Current Services	124,863	230,328
Other Local Revenues	18,802	887,563
Fees Received From County Officials	0	990,196
State of Tennessee	0	7,805,995
Federal Government	0	2,424,863
Other Governments and Citizens Groups	60,953	1,121,945
Total Revenues	\$ 261,057	\$ 22,182,350
Expenditures		
Current:		
General Government	\$ 0	\$ 1,331,982
Finance	230	876,295
Administration of Justice	0	772,387
Public Safety	144,815	6,440,834
Public Health and Welfare	0	1,965,843
Social, Cultural, and Recreational Services	0	187,298
Agriculture and Natural Resources	0	111,153
Other Operations	37,438	591,300
Highways	0	4,685,733
Debt Service:		
Principal on Debt	0	2,259,097
Interest on Debt	0	198,757
Other Debt Service	0	38,458

(Continued)

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

	Nonmajor Funds	
	Other	Total
	Govern- mental Funds	Governmental Funds
<hr/>		
Expenditures (Cont.)		
Capital Projects - Donated	\$ 364,000	\$ 364,000
Total Expenditures	\$ 546,483	\$ 19,823,137
Excess (Deficiency) of Revenues Over Expenditures	\$ (285,426)	\$ 2,359,213
Other Financing Sources (Uses)		
Other Loans Issued	\$ 364,000	\$ 364,000
Proceeds from Sale of Capital Assets	33,283	33,283
Transfers In	594,975	925,841
Transfers Out	0	(925,841)
Special Item - Loss on Disposal of Property (See Note I.D.9.)	0	(3,135,525)
Total Other Financing Sources (Uses)	\$ 992,258	\$ (2,738,242)
Net Change in Fund Balances	\$ 706,832	\$ (379,029)
Fund Balance, July 1, 2023	342,014	13,168,724
Fund Balance, June 30, 2024	\$ 1,048,846	\$ 12,789,695

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

POLK 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)		\$ (379,029)
(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	\$ 967,845	
Less: current-year depreciation expense	<u>(912,380)</u>	55,465
(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		(111,835)
(3) 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	\$ 706,391	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(557,523)</u>	148,868
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: other loan proceeds	\$ (364,000)	
Add: principal payments on notes	145,000	
Add: principal payments on other loans	<u>2,114,097</u>	1,895,097
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 6,116	
Change in compensated absences payable	(31,149)	
Change in net pension liability/asset	(124,684)	
Change in deferred outflows related to pensions	(9,151)	
Change in deferred inflows related to pensions	<u>85,265</u>	<u>(73,603)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,534,963</u>

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

POLK COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 General 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	\$ 6,515,014	\$ 0	\$ 0	\$ 6,515,014	\$ 6,228,316	\$ 6,228,316	\$ 286,698
Licenses and Permits	103,645	0	0	103,645	116,000	116,000	(12,355)
Fines, Forfeitures, and Penalties	104,734	0	0	104,734	103,600	103,600	1,134
Charges for Current Services	98,010	0	0	98,010	90,596	93,596	4,414
Other Local Revenues	251,426	0	0	251,426	190,275	262,224	(10,798)
Fees Received From County Officials	990,196	0	0	990,196	839,100	839,100	151,096
State of Tennessee	3,821,175	0	0	3,821,175	2,898,439	2,958,831	862,344
Federal Government	67,849	0	0	67,849	53,995	53,995	13,854
Other Governments and Citizens Groups	101,847	0	0	101,847	0	4,630	97,217
Total Revenues	\$ 12,053,896	\$ 0	\$ 0	\$ 12,053,896	\$ 10,520,321	\$ 10,660,292	\$ 1,393,604
Expenditures							
General Government							
County Commission	\$ 84,274	\$ 0	\$ 0	\$ 84,274	\$ 71,734	\$ 84,274	\$ 0
Board of Equalization	0	0	0	0	3,000	3,000	3,000
County Mayor/Executive	179,713	0	0	179,713	179,058	180,418	705
County Attorney	36,816	0	0	36,816	37,678	37,678	862
Election Commission	210,181	(75)	145	210,251	224,058	225,418	15,167
Register of Deeds	199,371	0	650	200,021	194,267	201,967	1,946
County Buildings	285,435	(4,479)	17,220	298,176	219,969	304,489	6,313
Other General Administration	336,192	(6,003)	13,251	343,440	254,400	359,017	15,577
Finance							
Accounting and Budgeting	96,043	0	0	96,043	110,468	100,563	4,520
Property Assessor's Office	247,286	(10,672)	8,215	244,829	253,797	257,877	13,048
County Trustee's Office	233,373	(135)	292	233,530	240,898	244,978	11,448
County Clerk's Office	299,363	(165)	838	300,036	287,246	310,160	10,124

(Continued)

POLK COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Administration of Justice							
Circuit Court	\$ 284,785	\$ (623)	\$ 0	\$ 284,162	\$ 283,552	\$ 291,636	\$ 7,474
General Sessions Court	146,290	0	703	146,993	144,813	147,557	564
Chancery Court	225,055	0	0	225,055	225,682	228,584	3,529
Juvenile Court	70,811	(240)	4,354	74,925	74,243	81,850	6,925
Probation Services	45,446	0	0	45,446	44,135	45,535	89
Public Safety							
Sheriff's Department	2,369,951	(8,401)	28,326	2,389,876	2,382,993	2,490,497	100,621
Correctional Incentive Program Improvements	3,675,498	(9,868)	60,650	3,726,280	3,235,233	3,740,128	13,848
Civil Defense	99,964	(20,100)	107	79,971	87,937	87,937	7,966
Rescue Squad	137,373	(4,614)	22,316	155,075	126,850	156,850	1,775
Other Emergency Management	13,233	(519)	0	12,714	13,606	14,286	1,572
Public Health and Welfare							
Local Health Center	56,961	(1,300)	691	56,352	58,964	62,370	6,018
Ambulance/Emergency Medical Services	900,000	0	0	900,000	900,000	900,000	0
Crippled Children Services	559	0	0	559	1,250	1,250	691
Other Local Health Services	19,286	0	0	19,286	21,324	21,777	2,491
Sanitation Education/Information	58,048	(873)	2,276	59,451	59,449	60,809	1,358
Other Public Health and Welfare	157,548	0	0	157,548	222,900	222,900	65,352
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	23,816	0	249	24,065	22,045	30,725	6,660
Libraries	154,994	(80)	3,813	158,727	146,770	159,491	764
Other Social, Cultural, and Recreational	8,488	0	700	9,188	6,500	10,100	912
Agriculture and Natural Resources							
Agricultural Extension Service	88,168	(88)	668	88,748	84,201	90,401	1,653
Soil Conservation	22,985	0	0	22,985	22,985	22,985	0

(Continued)

POLK COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Operations							
Other Economic and Community Development	\$ 19,809	\$ 0	\$ 0	\$ 19,809	\$ 20,200	\$ 23,225	\$ 3,416
Airport	128,997	(43,462)	32,502	118,037	0	118,037	0
Veterans' Services	33,493	0	0	33,493	32,790	34,150	657
Other Charges	142,602	0	0	142,602	140,000	140,000	(2,602)
Contributions to Other Agencies	103,788	(15,367)	8,332	96,753	85,000	105,950	9,197
Total Expenditures	\$ 11,195,995	\$ (127,064)	\$ 206,298	\$ 11,275,229	\$ 10,519,995	\$ 11,598,869	\$ 323,640
Excess (Deficiency) of Revenues Over Expenditures	\$ 857,901	\$ 127,064	\$ (206,298)	\$ 778,667	\$ 326	\$ (938,577)	\$ 1,717,244
Other Financing Sources (Uses)							
Transfers In	\$ 159,406	\$ 0	\$ 0	\$ 159,406	\$ 0	\$ 159,406	\$ 0
Total Other Financing Sources	\$ 159,406	\$ 0	\$ 0	\$ 159,406	\$ 0	\$ 159,406	\$ 0
Net Change in Fund Balance	\$ 1,017,307	\$ 127,064	\$ (206,298)	\$ 938,073	\$ 326	\$ (779,171)	\$ 1,717,244
Fund Balance, July 1, 2023	6,285,808	(127,064)	0	6,158,744	5,975,304	5,975,304	183,440
Fund Balance, June 30, 2024	\$ 7,303,115	\$ 0	\$ (206,298)	\$ 7,096,817	\$ 5,975,630	\$ 5,196,133	\$ 1,900,684

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

Exhibit C-6

POLK COUNTY, TENNESSEE

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Solid Waste/Sanitation 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	\$ 820,038	\$ 0	\$ 0	\$ 820,038	\$ 756,962	\$ 763,373	\$ 56,665
Charges for Current Services	7,455	0	0	7,455	21,252	21,252	(13,797)
State of Tennessee	81,416	0	0	81,416	57,000	57,000	24,416
Total Revenues	\$ 908,909	\$ 0	\$ 0	\$ 908,909	\$ 835,214	\$ 841,625	\$ 67,284
Expenditures							
Public Health and Welfare							
Sanitation Management	\$ 599,692	\$ 0	\$ 0	\$ 599,692	\$ 618,000	\$ 618,000	\$ 18,308
Convenience Centers	173,749	(9,900)	7,430	171,279	168,195	178,100	6,821
Other Operations							
Other Charges	16,283	0	0	16,283	11,500	16,500	217
Total Expenditures	\$ 789,724	\$ (9,900)	\$ 7,430	\$ 787,254	\$ 797,695	\$ 812,600	\$ 25,346
Excess (Deficiency) of Revenues Over Expenditures	\$ 119,185	\$ 9,900	\$ (7,430)	\$ 121,655	\$ 37,519	\$ 29,025	\$ 92,630
Other Financing Sources (Uses)							
Transfers In	\$ 8,494	\$ 0	\$ 0	\$ 8,494	\$ 0	\$ 8,494	\$ 0
Total Other Financing Sources	\$ 8,494	\$ 0	\$ 0	\$ 8,494	\$ 0	\$ 8,494	\$ 0
Net Change in Fund Balance	\$ 127,679	\$ 9,900	\$ (7,430)	\$ 130,149	\$ 37,519	\$ 37,519	\$ 92,630
Fund Balance, July 1, 2023	85,748	(9,900)	0	75,848	82,190	82,190	(6,342)
Fund Balance, June 30, 2024	\$ 213,427	\$ 0	\$ (7,430)	\$ 205,997	\$ 119,709	\$ 119,709	\$ 86,288

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

POLK 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	\$ 23,897	\$ 0	\$ 624	\$ 23,273
Federal Government	2,194,571	0	2,194,571	0
Total Revenues	<u>\$ 2,218,468</u>	<u>\$ 0</u>	<u>\$ 2,195,195</u>	<u>\$ 23,273</u>
Expenditures				
Other Operations				
American Rescue Plan Act Grant #6	\$ 108,890	\$ 1,675,000	\$ 1,497,433	\$ 1,388,543
Total Expenditures	<u>\$ 108,890</u>	<u>\$ 1,675,000</u>	<u>\$ 1,497,433</u>	<u>\$ 1,388,543</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,109,578</u>	<u>\$ (1,675,000)</u>	<u>\$ 697,762</u>	<u>\$ 1,411,816</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (177,567)	\$ 0	\$ (177,567)	\$ 0
Total Other Financing Sources	<u>\$ (177,567)</u>	<u>\$ 0</u>	<u>\$ (177,567)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,932,011	\$ (1,675,000)	\$ 520,195	\$ 1,411,816
Fund Balance, July 1, 2023	<u>(513,618)</u>	<u>(519,240)</u>	<u>(519,240)</u>	<u>5,622</u>
Fund Balance, June 30, 2024	<u><u>\$ 1,418,393</u></u>	<u><u>\$ (2,194,240)</u></u>	<u><u>\$ 955</u></u>	<u><u>\$ 1,417,438</u></u>

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

POLK COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Other Local Revenues	\$ 308,027	\$ 0	\$ 308,027	\$ 221,012	\$ 248,911	\$ 59,116
State of Tennessee	3,798,866	0	3,798,866	2,060,217	3,685,634	113,232
Federal Government	162,443	0	162,443	57,000	137,314	25,129
Total Revenues	\$ 4,269,336	\$ 0	\$ 4,269,336	\$ 2,338,229	\$ 4,071,859	\$ 197,477
Expenditures						
Highways						
Administration	\$ 305,950	\$ (460)	\$ 305,490	\$ 302,487	\$ 312,626	\$ 7,136
Highway and Bridge Maintenance	1,372,600	(47,991)	1,324,609	1,406,690	1,435,008	110,399
Operation and Maintenance of Equipment	718,206	(16,076)	702,130	672,500	749,249	47,119
Other Charges	102,184	0	102,184	110,500	111,735	9,551
Employee Benefits	399,697	0	399,697	251,000	420,484	20,787
Capital Outlay	1,787,096	0	1,787,096	255,610	1,813,622	26,526
Total Expenditures	\$ 4,685,733	\$ (64,527)	\$ 4,621,206	\$ 2,998,787	\$ 4,842,724	\$ 221,518
Excess (Deficiency) of Revenues Over Expenditures	\$ (416,397)	\$ 64,527	\$ (351,870)	\$ (660,558)	\$ (770,865)	\$ 418,995
Other Financing Sources (Uses)						
Transfers In	\$ 9,667	\$ 0	\$ 9,667	\$ 0	\$ 9,666	\$ 1
Transfers Out	(153,299)	0	(153,299)	(307,230)	(153,299)	0
Total Other Financing Sources	\$ (143,632)	\$ 0	\$ (143,632)	\$ (307,230)	\$ (143,633)	\$ 1
Net Change in Fund Balance	\$ (560,029)	\$ 64,527	\$ (495,502)	\$ (967,788)	\$ (914,498)	\$ 418,996
Fund Balance, July 1, 2023	2,294,283	(64,527)	2,229,756	1,880,779	1,880,779	348,977
Fund Balance, June 30, 2024	\$ 1,734,254	\$ 0	\$ 1,734,254	\$ 912,991	\$ 966,281	\$ 767,973

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

POLK COUNTY, TENNESSEE
Statement of Net Position
 Fiduciary Funds
June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 927,314
Accounts Receivable	599
Due from Other Governments	<u>133,111</u>
Total Assets	<u>\$ 1,061,024</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 133,111</u>
Total Liabilities	<u>\$ 133,111</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 927,913</u>
Total Net Position	<u><u>\$ 927,913</u></u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 765,059
Fines/Fees and Other Collections	6,219,721
Total Additions	<u>\$ 6,984,780</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 765,059
Payments to State	3,017,958
Payments to Cities, Individuals, and Others	2,880,789
Total Deductions	<u>\$ 6,663,806</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 320,974
Net Position, July 1, 2023	<u>606,939</u>
Net Position, June 30, 2024	<u>\$ 927,913</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Polk 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 Polk County:

A. *Reporting Entity*

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

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

Administrative Office:

Polk County Emergency Communications District
6034 Highway 411
Benton, TN 37307

B. Government-wide and Fund Financial Statements

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

Polk County issues all debt for the discretely presented Polk County School Department. Net debt issues totaling \$364,000 were contributed by the county to the school department during the year ended June 30, 2024.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Polk County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balance/fund net position, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. The discretely presented Polk County School Department reports one proprietary fund, an internal service fund. The county and the school department have no enterprise funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Polk County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

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

Other Special Revenue Fund – This special revenue fund accounts for funding related to the American Rescue Plan Act Grant. Grant revenue is the foundational revenue of this fund.

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

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Polk County reports the following fund types:

Capital Projects Funds – These funds are used to account for various capital projects within the county.

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

The discretely presented Polk 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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovation of the school department.

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

Internal Service Fund – The Self-Insurance Fund is used to account for the school department employees’ self-insurance dental program. In prior years, school funds were placed into this fund for the payment of dental claims for employees who chose to participate in the program. However, due to the increased costs of the plan, operations ceased in October 2002, but a balance remains in this fund.

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 (FY24) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY23) are presented in this report. We do not believe using

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The discretely presented school department has one proprietary fund, an internal service fund used to account for the employees' dental insurance program. As noted above, the employees' dental insurance plan was discontinued in October 2002 due to the increased cost of the plan. A cash balance has remained in this fund since the fund was discontinued. The fund's only revenue was interest earned on this cash balance and there were no expenses from this fund during the year examined. On June 30, 2024, the balance in this fund totaled \$41,230.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes demand deposits.

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 Polk County School Department (excluding the school department's Self-Insurance Fund). 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. Polk 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. Polk County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 3.12 percent of the 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 Polk 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 Polk County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Polk 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 \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	7 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads and Bridges	20 - 50

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension and OPEB changes in experience, assumptions, and proportionate share, pension changes in investment earnings, and employer contributions made to the pension and OPEB plans after the measurement date.

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

It is the policy of the county and the highway department to permit employees to accumulate earned but unused vacation and sick leave benefits. The county's policy allows employees to accumulate up to 15 days of vacation leave. The policy of the highway department allows employees to accumulate up to 70 hours of vacation leave at the end of the calendar year. There is no liability for unpaid accumulated sick leave since the county and the highway department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the 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 Polk County School Department does not allow for the accumulation of vacation days beyond fiscal year-end. Employees who work 11 months are granted one week of vacation a year, and 12-month employees are granted two weeks of vacation a year. All vacation pay is accrued when incurred in the government-wide financial statements for the school department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. 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.

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 or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, pensions, 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 and the proprietary fund in the fund financial statements of the discretely presented school department, equity is classified as net position and may be 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.

The government-wide Statement of Net Position reports \$6,231,281 of restricted net position, of which \$498,280 is restricted by enabling legislation.

As of June 30, 2024, Polk County had \$1,929,057 in outstanding debt for capital purposes for the discretely presented Polk County School Department. This debt is a liability of Polk County, but the capital assets acquired are reported in the financial

statements of the school department. Therefore, Polk County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

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 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 and for negative fund balances in the other governmental 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.

9. Special Item

In 2018, Polk County (75%) and the City of Ducktown (25%) purchased the debt of the Copper Basin Medical Center for \$800,000, foreclosed on the debt, and took ownership of the property. The entities intended to sell the property; therefore, according to applicable accounting principles and Governmental Accounting Standards Board (GASB) Statement 54, the county's share of the value of the property was calculated using a reasonable and rational method and reflected as an investment in the General Debt Service Fund. In 2018, the property was assessed at \$4,980,700 according to the appraisal card from the assessor of property. Since Polk County owned 75 percent of the property, an investment totaling \$3,735,525 has been reflected in the county's General Debt Service Fund from June 30, 2018, through June 30, 2023.

In June 2024, Polk County sold its share of the Copper Basin Hospital to the City of Ducktown for \$600,000, the amount the county had originally paid for the property. However, due to the accounting for the value of the property held as an investment, the difference in the valuation reflected on the accounting records and the eventual sale price represents a significant loss that must be reflected in the General Debt Service Fund on June 30, 2024.

The difference between the calculated value of the property and the sale price was \$3,135,525 and has been reflected as a Special Item – Loss on Disposal of Property in the financial statements of this report.

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 Polk County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Polk 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 Polk 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 Polk 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 Polk 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 Polk 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 Polk 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, and those capital projects funds that adopt project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, 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, Polk County and the Polk County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 206,298
Solid Waste/Sanitation	7,430
Nonmajor Funds:	
Drug Control	176
Other Capital Projects	136,116
School Department:	
Major Funds:	
General Purpose School	555,125
School Federal Projects	132,600

B. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the school board in in the school department’s Education Capital Projects Fund by \$109. Also, expenditures exceeded appropriations approved by the county commission in the Other Operations – Other Charges major appropriation category (the legal level of control) of the General Fund by \$2,602. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the funds noted.

C. Investigative Report

On September 12, 2023, the Comptroller's Division of Investigations issued an investigative report on the Polk County Circuit and General Sessions Courts Clerk. The investigation of the Circuit and General Sessions Court Clerk disclosed several deficiencies. This report is available at <https://www.comptroller.tn.gov/office-functions/investigations/find.html>.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Polk County and the Polk County School Department (excluding the internal service fund) 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, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net position represent 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 the 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; deposit 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 Polk 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 Polk 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 Polk 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	\$ 79,162
Developed Market International Equity	N/A	N/A	35,751
Emerging Market International Equity	N/A	N/A	10,214
U.S. Fixed Income	N/A	N/A	51,072
Real Estate	N/A	N/A	25,536
Short-term Securities	N/A	N/A	2,554
NAV - Private Equity and Strategic Lending	N/A	N/A	51,072
 Total			\$ 255,361

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	\$ 0	\$ 50,300	\$ 0	\$ 50,300
Construction in Progress	250,193	0	0	250,193
Total Capital Assets				
Not Depreciated	\$ 250,193	\$ 50,300	\$ 0	\$ 300,493
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 12,325,988	\$ 95,473	\$ (943,545)	\$ 11,477,916
Infrastructure	10,790,647	0	0	10,790,647
Other Capital Assets	5,640,385	822,072	(246,406)	6,216,051
Total Capital Assets				
Depreciated	\$ 28,757,020	\$ 917,545	\$ (1,189,951)	\$ 28,484,614
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 5,253,752	\$ 258,581	\$ (849,191)	\$ 4,663,142
Infrastructure	6,705,745	146,554	0	6,852,299
Other Capital Assets	3,820,251	507,245	(228,925)	4,098,571
Total Accumulated				
Depreciation	\$ 15,779,748	\$ 912,380	\$ (1,078,116)	\$ 15,614,012
Total Capital Assets				
Depreciated, Net	\$ 12,977,272	\$ 5,165	\$ (111,835)	\$ 12,870,602
Governmental Activities				
Capital Assets, Net	\$ 13,227,465	\$ 55,465	\$ (111,835)	\$ 13,171,095

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

Governmental Activities:

General Government	\$	285,498
Public Safety		212,640
Public Health & Welfare		3,000
Social, Cultural & Recreational		535
Highways		410,707
Total Depreciation Expense - Governmental Activities	\$	<u>912,380</u>

Net Investment in Capital Assets

Capital Assets	\$	13,171,095
Add:		
Outstanding principal of debt for school purposes		1,929,057
Less:		
Outstanding principal of capital debt and other capital borrowings		<u>(2,691,557)</u>
Net Investment in Capital Assets	\$	<u>12,408,595</u>

Discretely Presented Polk County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets				
Not Depreciated:				
Land	\$ 401,500	\$ 0	\$ 0	\$ 401,500
Construction in Progress	17,300	581,065	0	598,365
Total Capital Assets				
Not Depreciated	<u>\$ 418,800</u>	<u>\$ 581,065</u>	<u>\$ 0</u>	<u>\$ 999,865</u>
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 24,942,335	\$ 9,800	\$ 0	\$ 24,952,135
Other Capital Assets	3,245,326	2,028,065	(45,500)	5,227,891
Total Capital Assets				
Depreciated	<u>\$ 28,187,661</u>	<u>\$ 2,037,865</u>	<u>\$ (45,500)</u>	<u>\$ 30,180,026</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 14,195,082	\$ 384,767	\$ 0	\$ 14,579,849
Other Capital Assets	1,749,871	185,487	(43,073)	1,892,285
Total Accumulated				
Depreciation	<u>\$ 15,944,953</u>	<u>\$ 570,254</u>	<u>\$ (43,073)</u>	<u>\$ 16,472,134</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 12,242,708</u>	<u>\$ 1,467,611</u>	<u>\$ (2,427)</u>	<u>\$ 13,707,892</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 12,661,508</u>	<u>\$ 2,048,676</u>	<u>\$ (2,427)</u>	<u>\$ 14,707,757</u>

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

Governmental Activities:

Instruction	\$ 42,517
Support Services	511,405
Operation of Non-instructional Services	<u>16,332</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 570,254</u>

C. Construction Commitments

On June 30, 2024, the county had uncompleted construction contracts of approximately \$574,958 for the rehabilitation of the terminal hangar at the airport. Funding for these future expenditures is expected to be received from federal grants.

On June 30, 2024, the school department had uncompleted construction contracts of approximately \$73,000 and \$522,045 respectively, for the Chilhowee Middle School gym HVAC project and the Copper Basin High School Trade Shop. Funding has been received for the Chilhowee Middle School gym HVAC project, and funding for future expenditures for the trade shop project is expected to be received from federal grants.

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	\$ 29,792
Highway/Public Works	General	10,599
Discretely Presented School Department:		
General Purpose School	School Federal Projects	254,335
School Federal Projects	General Purpose School	8,698
Education Capital Projects	"	201,449

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:		
Highway/Public Works	Component Unit: School Department: General Purpose School	\$ 5,222

The receivable in the Highway/Public Works Fund totaling \$5,222 was due from the General Purpose School Fund as reimbursement for fuel.

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	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor governmental funds	
Other Special Revenue	\$ 125,406	\$ 8,494	\$ 9,667	\$ 0	\$ 0	Bonus payments
"	34,000	0	0	0	0	Capital outlay
General Debt Service	0	0	0	0	594,975	To open fund
Highway/Public Works	0	0	0	153,299	0	Debt retirement
Total	\$ 159,406	\$ 8,494	\$ 9,667	\$ 153,299	\$ 594,975	

In June 2024, Polk County made a one-time transfer of \$594,975 from the General Debt Service Fund to create the Other Capital Projects – Building Fund. These funds represented the net proceeds from the sale of the county’s share of the Copper Basin Medical Center property.

Discretely Presented Polk County School Department

Transfer Out	Transfer In	
	Nonmajor governmental funds	Purpose
General Purpose School Fund	\$ 200,000	Operations

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

E. Long-term Debt

Primary Government

Notes and Other Loans

Direct Borrowing and Direct Placements - Polk County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes

and other loans outstanding were issued for original terms of five years for notes and up to 12 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund.

Capital outlay notes and other loans 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
Direct Borrowing and Direct Placement:					
Capital Outlay Notes	3.73	%	8-1-24	\$ 700,000	\$ 150,000
Other Loans	Variable		5-25-26	13,668,451	1,959,900
Other Loans	4.71 to 6.71		10-2-27	1,103,000	581,657

On September 4, 2014, Polk County entered into loan agreements with the City of Clarksville, Tennessee, Public Building Authority. This loan agreement provided for the authority to make \$1,840,980 available for loan to Polk County on an as-needed basis for various school roofing and renovation projects. Polk County had borrowed \$1,713,451 of this loan as of June 30, 2017, and does not intend to borrow any more. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the program. In addition, the county pays various other fees in connection with this loan. On June 30, 2024, the variable interest rate was 4.50 percent and other fees totaled approximately .15 percent of the outstanding loan principal. There is also a monthly trustee fee of \$125 and an annual administrative fee of \$100 associated with this loan.

On April 28, 2017, Polk County entered into loan agreements with the City of Clarksville, Tennessee, Public Building Authority. Under this loan agreement, the authority loaned \$11,955,000 to Polk County to refund the General Obligation Refunding Bond, Series 2007. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the program. In addition, the county pays various other fees in connection with this loan. On June 30, 2024, the variable interest rate was 4.50 percent and other fees totaled approximately .15 percent of the outstanding loan principal. There is also a monthly trustee fee of \$125 and an annual administrative fee of \$100 associated with this loan.

In prior years, Polk County entered into two separate purchase agreements totaling \$526,000 to obtain school buses. These obligations have previously been reflected as capital leases, however, with the implementation of GASB 87, *Leases*, these obligations are now reflected as other loans. Also, on August 25, 2022, the county entered into a four-year loan agreement to purchase used buses totaling \$213,000 at 4.75 percent interest and on November 6, 2023, the county entered into a four-year loan agreement to purchase used buses totaling \$364,000 at 6.71 percent interest.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2024, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2025	\$ 150,000	\$ 2,798	\$ 152,798
Total	\$ 150,000	\$ 2,798	\$ 152,798

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Fees	Total
2025	\$ 2,128,215	\$ 114,083	\$ 5,775	\$ 2,248,073
2026	218,963	23,609	1,534	244,106
2027	117,021	12,170	0	129,191
2028	77,358	5,191	0	82,549
Total	\$ 2,541,557	\$ 155,053	\$ 7,309	\$ 2,703,919

There is \$1,071,660 available in the General Debt Service Fund to service long-term debt. Total debt per capita totaled \$153, based on the 2020 federal census.

The school department is currently contributing \$650,000 annually to the General Debt Service Fund to service some of the debt issued on its behalf by the primary government. This annual contribution has been made since 2006 and is reflected in the revenues of the General Debt Service Fund and in the expenditures of the General Purpose School Fund. No debt is reflected in the government-wide financial statements for this annual contribution because it is not tied to specific debt payments. The set amount of \$650,000 is included in the annual budgets of the two funds involved, but no other documentation that obligates the school department beyond the annual budget has been noted.

Changes in Long-term Debt

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

Governmental Activities:	Notes -		Other	
	Direct	Loans -	Direct	
	Placement	Placement		
Balance, July 1, 2023	\$ 295,000	\$ 4,291,654		
Additions		0	364,000	
Reductions	(145,000)		(2,114,097)	
Balance, June 30, 2024	\$ 150,000	\$ 2,541,557		
Balance Due Within One Year	\$ 150,000	\$ 2,128,215		

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 2,691,557
Less: Balance Due Within One Year - Debt	<u>(2,278,215)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 413,342</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:	Compensated Absences	Net Pension Liability - Agent Plan
Balance, July 1, 2023	\$ 134,589	\$ 22,710
Additions	208,873	1,568,601
Reductions	<u>(177,724)</u>	<u>(1,443,917)</u>
Balance, June 30, 2024	<u>\$ 165,738</u>	<u>\$ 147,394</u>
Balance Due Within One Year	<u>\$ 16,574</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 313,132
Less: Balance Due Within One Year - Other	<u>(16,574)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 296,558</u>

Compensated absences and pensions will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Polk County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Other Post- employment Benefits	Net Pension Liability - Agent Plan
Balance, July 1, 2023	\$ 3,639,942	\$ 10,574
Additions	722,686	636,819
Reductions	(218,613)	(587,517)
Balance, June 30, 2024	<u>\$ 4,144,015</u>	<u>\$ 59,876</u>
Balance Due Within One Year	<u>\$ 319,868</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2024	\$ 4,203,891
Less: Balance Due Within One Year - Other	<u>(319,868)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,884,023</u>

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

G. On-Behalf Payments - Discretely Presented Polk County School Department

The State of Tennessee pays health insurance premiums for retired teachers on behalf of the Polk County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2024, were \$57,902. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. Polk County is a member of the Local Government Property and Causality 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.

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

Polk County provides health insurance coverage to its employees through the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Polk County School Department

The discretely presented Polk County 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, workers' compensation, and casualty insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

The school department maintains a Self-Insurance Fund for risks associated with the employees' dental insurance plan. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claims settlements. The employees' dental insurance plan was discontinued in October 2002 due to increased costs of the plan; however, since the use of the plan stopped, there has been a cash balance maintained in the fund. On June 30, 2024, a cash balance of \$41,230 remained in this fund.

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.

The county is involved in several pending lawsuits. Attorneys and officials for the county and the school department estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Joint Venture

The Tenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Tenth Judicial District and participating municipalities in the district. The Tenth Judicial District includes Bradley, McMinn, Monroe, and Polk counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors that includes the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Polk County did not contribute to the DTF for the year ended June 30, 2024, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

District Attorney General
Tenth Judicial District
P.O. Box 647
Athens, TN 37371-0647

E. Jointly Governed Organization

Polk County, in conjunction with Bradley, McMinn, and Monroe counties, participates in the Southeast Tennessee Community Corrections Program. The program's 20-member board comprises the county mayor/executive and the sheriff of each of the four counties, the district attorney general, and one member from a nonprofit organization. The remaining ten members are appointed by the board from the private sector. The program provides alternative sentencing for selected nonviolent offenders and receives funding from the Tennessee Department of Correction. The counties that participate in the program do not have any ongoing financial interest or responsibility for the program.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Polk County and non-certified employees of the discretely presented Polk 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 71.11 percent, the non-certified employees of the discretely presented school department comprise 28.89 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.

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	107
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	270
Active Employees	254
Total	<u>631</u>

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

County was \$414,587 based on a rate of five percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Polk 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)

Polk 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

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	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 Polk 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	\$ 17,981,938	\$ 17,948,654	\$ 33,284
Changes for the Year:			
Service Cost	\$ 658,618	\$ 0	\$ 658,618
Interest	1,232,597	0	1,232,597
Differences Between Expected and Actual Experience	291,611	0	291,611
Contributions-Employer	0	407,809	(407,809)
Contributions-Employees	0	414,795	(414,795)
Net Investment Income	0	1,207,871	(1,207,871)
Benefit Payments, Including Refunds of Employee Contributions	(759,726)	(759,726)	0
Administrative Expense	0	(21,635)	21,635
Net Changes	<u>\$ 1,423,100</u>	<u>\$ 1,249,114</u>	<u>\$ 173,986</u>
Balance, June 30, 2023	<u>\$ 19,405,038</u>	<u>\$ 19,197,768</u>	<u>\$ 207,270</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	71.11%	\$ 13,798,923	\$ 13,651,529	\$ 147,394
School Department	28.89%	5,606,115	5,546,239	59,876
Total		<u>\$ 19,405,038</u>	<u>\$ 19,197,768</u>	<u>\$ 207,270</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Polk 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
Polk County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 2,838,283 \$ 207,270 \$ (1,971,634)

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, Polk County recognized pension expense (negative pension expense) of \$551,008.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, Polk 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	\$ 624,840	\$ 209,973
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	150,190	0
Changes in Assumptions	882,628	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	414,587	N/A
Total	<u>\$ 2,072,245</u>	<u>\$ 209,973</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	\$ 1,467,803	\$ 149,317
School Department	604,442	60,656
Total	<u>\$ 2,072,245</u>	<u>\$ 209,973</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	\$ 289,247
2026	273,144
2027	825,960
2028	59,333
2029	0
Thereafter	0

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

Discretely Presented Polk County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Polk County and non-certified employees of the discretely presented Polk 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 71.11 percent and the non-certified employees of the discretely presented school department comprise 28.89 percent of the plan based on contribution data.

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

General Information About the Pension Plan

Plan Description. Teachers of the Polk 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 \$110,496, which is 2.95 percent of covered payroll. In addition, employer contributions of \$36,155, 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 Fund, 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 (\$72,989) 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 .172129 percent. The proportion as of June 30, 2022, was .175390 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$89,786.

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	\$ 2,459	\$ 42,602
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	18,557	0
Changes in Assumptions	54,913	0
Changes in Proportion of Net Pension Liability (Asset)	4,565	34,090
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	110,496	N/A
Total	<u>\$ 190,990</u>	<u>\$ 76,692</u>

The school department's employer contributions of \$110,496, 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	\$ (2,928)
2026	(5,629)
2027	22,998
2028	(1,273)
2029	(1,159)
Thereafter	(8,208)

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

Net Pension Liability (Asset)	\$ 335,745	\$ (72,989)	\$ (367,243)
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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 Polk County School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Polk 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 Polk County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$573,204, 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 (\$3,095,911) 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 .262594 percent. The proportion measured on June 30, 2022, was .274416 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$766,836.

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	\$ 737,604	\$ 143,671
Changes in Assumptions	1,008,732	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	537,156	0
Changes in Proportion of Net Pension Liability (Asset)	192,428	180,485
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	573,204	N/A
Total	<u>\$ 3,049,124</u>	<u>\$ 324,156</u>

The school department's employer contributions of \$573,204 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	\$ 715,770
2026	(459,737)
2027	1,891,524
2028	4,208
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
		100
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%
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Net Pension Liability (Asset) \$ 6,743,109 \$ (3,095,911) \$ (11,279,200)

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

Polk County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 401(k). All costs of administering and funding these programs are the responsibility of plan participants. Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 457 establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$171,783 and teachers contributed \$60,033 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

The discretely presented Polk County School Department provides OPEB benefits to its retirees through a state administered public entity risk pool. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Discretely Presented Polk County School Department

The Polk County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Polk County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The school department's total OPEB liability for the plan was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.65%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over a 11-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.65 percent, based on the daily rate of Bond Buyer's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2023 plan year was revised from 8.37 percent to 10.31 percent.

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

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

Benefits Provided. The Polk County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-301, *TCA*, establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Polk County School Department does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	10
Inactive Employees Entitled to But Not Yet	
Receiving Benefits	0
Active Employees Eligible for Benefits	192
Total	202

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$116,872 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Polk County School Department 70.71%	State of TN 29.29%	Total OPEB Liability
Balance July 1, 2022	\$ 3,639,942	\$ 1,396,318	\$ 5,036,260
Changes for the Year:			
Service Cost	\$ 175,057	\$ 72,507	\$ 247,564
Interest	129,810	53,766	183,576
Difference between Expected and Actuarial Experience	72,854	30,175	103,029
Changes in Assumption and Other Inputs	344,965	142,881	487,846
Change in Proportion Benefit Payments	(78,712) (139,901)	78,712 (57,946)	0 (197,847)
Net Changes	\$ 504,073	\$ 320,095	\$ 824,168
Balance June 30, 2023	\$ 4,144,015	\$ 1,716,413	\$ 5,860,428

The Polk County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Polk County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$119,642 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Polk County School Department's proportionate share of the collective OPEB liability was 70.71% and the State of Tennessee's share was 29.29%.

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 \$439,510, including the state's share of the expense. On June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 235,770	\$ 234,508
Changes of Assumptions	537,411	439,028
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	154,195	153,177
Benefits Paid After the Measurement Date of June 30, 2023	116,872	0
Total	<u>\$ 1,044,248</u>	<u>\$ 826,713</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	\$ 15,001
2026	15,001
2027	15,001
2028	20,826
2029	21,354
Thereafter	13,480

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,474,701	\$ 4,144,015	\$ 3,829,412
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	9.31 to 3.5%	10.31 to 4.5%	11.31 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,675,496	\$ 4,144,015	\$ 4,689,571
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H. Termination Benefits

The Polk County School Department offers retiring employees with 25 years or more of service in the Polk County school system a lump-sum payment equal to \$300 for each year of service in the Polk County school system or provides a portion of the employee's health care insurance until the employee reaches Medicare age. During the period, no retiring employees were eligible for the lump-sum payment.

I. Office of Central Accounting, Budgeting, and Purchasing

Polk County has adopted the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and the highway superintendent. Funds under the supervision of the county executive were maintained by the director of accounts and budgets. However, contrary to provisions of the act, funds under the supervision of the highway superintendent were maintained by employees of the highway department.

J. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*.

This statute provides for a purchasing agent to make all purchases exceeding \$5,000 after soliciting sealed competitive bids through public advertisement.

Office of Highway Superintendent

Purchasing procedures for the highway department are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *TCA*, and Section 54-7-113, *TCA* (Uniform Road Law). These statutes provide for a purchasing agent to make all purchases exceeding \$25,000 after soliciting sealed competitive bids through public advertisement.

Office of Director of Schools

Purchasing procedures for the discretely presented Polk County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

***K* Subsequent Event**

On August 12, 2024, the Board of Education approved a lease-purchase agreement with Apple to purchase personal computers, electronic devices, servers, and networking equipment not to exceed \$143,666. The term of this agreement is three years at an interest rate of 7.99 percent.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

POLK 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	\$ 320,216	\$ 353,395	\$ 362,034	\$ 406,070	\$ 431,326	\$ 482,406	\$ 505,432	\$ 511,918	\$ 604,908	\$ 658,618
Interest	646,390	686,982	778,649	811,563	877,312	929,175	996,883	1,034,268	1,123,442	1,232,597
Differences Between Actual and Expected Experience	(109,544)	604,011	(271,628)	60,083	(109,206)	117,378	(342,329)	(283,018)	619,980	291,611
Changes in Assumptions	0	0	0	433,909	0	0	0	1,765,258	0	0
Benefit Payments, Including Refunds of Employee Contributions	(329,941)	(368,104)	(493,500)	(454,950)	(458,794)	(611,536)	(624,620)	(677,024)	(810,147)	(759,726)
Net Change in Total Pension Liability	\$ 527,121	\$ 1,276,284	\$ 375,555	\$ 1,256,675	\$ 740,638	\$ 917,423	\$ 535,366	\$ 2,351,402	\$ 1,538,183	\$ 1,423,100
Total Pension Liability, Beginning	8,463,291	8,990,412	10,266,696	10,642,251	11,898,926	12,639,564	13,556,987	14,092,353	16,443,755	17,981,938
Total Pension Liability, Ending (a)	\$ 8,990,412	\$ 10,266,696	\$ 10,642,251	\$ 11,898,926	\$ 12,639,564	\$ 13,556,987	\$ 14,092,353	\$ 16,443,755	\$ 17,981,938	\$ 19,405,038
Plan Fiduciary Net Position										
Contributions - Employer	\$ 368,920	\$ 408,901	\$ 442,930	\$ 464,789	\$ 306,608	\$ 331,497	\$ 333,770	\$ 343,347	\$ 378,270	\$ 407,809
Contributions - Employee	235,888	249,330	276,230	283,064	306,609	331,497	334,106	343,348	378,272	414,795
Net Investment Income	1,330,734	296,568	269,832	1,210,901	1,004,316	981,794	704,035	3,844,560	(715,504)	1,207,871
Benefit Payments, Including Refunds of Employee Contributions	(329,941)	(368,104)	(493,500)	(454,950)	(458,794)	(611,536)	(624,620)	(677,024)	(810,147)	(759,726)
Administrative Expense	(6,630)	(9,664)	(15,128)	(17,251)	(21,398)	(20,618)	(20,916)	(21,632)	(24,012)	(21,635)
Other	0	0	14,230	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,598,971	\$ 577,031	\$ 494,594	\$ 1,486,553	\$ 1,137,341	\$ 1,012,634	\$ 726,375	\$ 3,832,599	\$ (793,121)	\$ 1,249,114
Plan Fiduciary Net Position, Beginning	7,875,677	9,474,648	10,051,679	10,546,273	12,032,826	13,170,167	14,182,801	14,909,176	18,741,775	17,948,654
Plan Fiduciary Net Position, Ending (b)	\$ 9,474,648	\$ 10,051,679	\$ 10,546,273	\$ 12,032,826	\$ 13,170,167	\$ 14,182,801	\$ 14,909,176	\$ 18,741,775	\$ 17,948,654	\$ 19,197,768
Net Pension Liability (Asset), Ending (a - b)	\$ (484,236)	\$ 215,017	\$ 95,978	\$ (133,900)	\$ (530,603)	\$ (625,814)	\$ (816,823)	\$ (2,298,020)	\$ 33,284	\$ 207,270
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.39%	97.91%	99.10%	101.13%	104.20%	104.62%	105.80%	113.98%	99.81%	98.93%
Covered Payroll	\$ 4,741,904	\$ 4,986,584	\$ 5,401,594	\$ 5,661,245	\$ 6,132,138	\$ 6,629,924	\$ 6,675,400	\$ 6,866,933	\$ 7,565,415	\$ 8,156,130
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(10.21%)	4.31%	1.78%	(2.37%)	(8.65%)	(9.44%)	(12.24%)	(33.47%)	0.44%	2.54%

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

Exhibit E-2

POLK 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	\$ 408,901	\$ 442,930	\$ 464,789	\$ 306,608	\$ 234,037	\$ 216,283	\$ 222,489	\$ 245,119	\$ 370,291	\$ 414,587
Less: Contributions in Relation to the Actuarially Determined Contribution	(408,901)	(442,930)	(464,789)	(306,608)	(331,497)	(333,770)	(343,347)	(378,270)	(407,809)	(414,587)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (97,460)	\$ (117,487)	\$ (120,858)	\$ (133,151)	\$ (37,518)	\$ 0
Covered Payroll	\$ 4,986,584	\$ 5,401,594	\$ 5,661,245	\$ 6,132,138	\$ 6,629,924	\$ 6,675,400	\$ 6,866,933	\$ 7,565,415	\$ 8,156,130	\$ 8,291,733
Contributions as a Percentage of Covered Payroll	8.20%	8.20%	8.21%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

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

Exhibit E-3

POLK COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Teacher

Retirement Plan of TCRS

Discretely Presented Polk County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 11,717	\$ 22,063	\$ 29,275	\$ 37,805	\$ 23,495	\$ 28,224	\$ 39,003	\$ 60,202	\$ 98,261	\$ 110,496
Less: Contributions in Relation to the Contractually Required Contribution	(11,717)	(22,063)	(29,275)	37,805	(23,495)	(28,224)	(39,003)	(60,202)	(98,261)	(110,496)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 292,931	\$ 551,584	\$ 731,857	\$ 945,125	\$ 1,211,056	\$ 1,390,335	\$ 1,930,836	\$ 2,995,150	\$ 3,419,673	\$ 3,740,111
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	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%

Exhibit E-4

POLK COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Teacher

Legacy Pension Plan of TCRS

Discretely Presented Polk County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 825,664	\$ 808,191	\$ 804,829	\$ 819,504	\$ 921,441	\$ 925,096	\$ 852,604	\$ 930,179	\$ 740,500	\$ 573,204
Less: Contributions in Relation to the Contractually Required Contribution	(825,664)	(808,191)	(804,829)	(819,504)	(921,441)	(925,096)	(852,604)	(930,179)	(740,500)	(573,204)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 9,133,452	\$ 8,940,165	\$ 8,902,968	\$ 9,025,375	\$ 8,809,192	\$ 8,702,674	\$ 8,301,886	\$ 9,030,862	\$ 8,521,285	\$ 8,417,075
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%

Exhibit E-5

POLK COUNTY, TENNESSEE

**Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS**

Discretely Presented Polk 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)	0.138076%	0.125358%	0.111507%	0.108152%	0.114445%	0.110175%	0.133786%	0.175390%	0.172129%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,672)	\$ (13,050)	\$ (29,420)	\$ (49,050)	\$ (64,603)	\$ (62,650)	\$ (144,919)	\$ (53,130)	\$ (72,989)
Covered Payroll	\$ 292,931	\$ 551,584	\$ 731,857	\$ 945,125	\$ 1,211,056	\$ 1,390,335	\$ 1,930,836	\$ 2,995,150	\$ 3,419,673
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(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.

POLK COUNTY, TENNESSEE
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
 Discretely Presented Polk 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)	0.236791%	0.243981%	0.247664%	0.251856%	0.257744%	0.262714%	0.261479%	0.252939%	0.274416%	0.262594%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (38,477)	\$ 99,943	\$ 1,547,761	\$ (82,403)	\$ (906,981)	\$ (2,701,177)	\$ (1,993,968)	\$ (10,909,866)	\$ (3,365,455)	\$ (3,095,911)
Covered Payroll	\$ 9,294,007	\$ 9,133,452	\$ 8,940,165	\$ 8,902,968	\$ 9,025,375	\$ 8,809,192	\$ 8,702,674	\$ 8,301,886	\$ 9,030,862	\$ 8,521,285
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(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%

POLK COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan

Discretely Presented Polk County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 263,808	\$ 245,776	\$ 253,160	\$ 235,248	\$ 298,018	\$ 320,366	\$ 247,564
Interest	136,044	164,046	169,917	161,612	113,432	124,300	183,576
Changes in Benefit Terms	0	(278,963)	0	0	0	0	0
Differences Between Actual and Expected Experience	0	32,469	2,780	(294,614)	348,233	(224,217)	103,029
Changes in Assumptions or Other Inputs	(218,480)	119,987	(326,369)	506,986	5,521	(520,914)	487,846
Benefit Payments	(209,570)	(219,134)	(192,336)	(149,413)	(137,407)	(194,044)	(197,847)
Net Change in Total OPEB Liability	\$ (28,198)	\$ 64,181	\$ (92,848)	\$ 459,819	\$ 627,797	\$ (494,509)	\$ 824,168
Total OPEB Liability, Beginning	4,500,018	4,471,820	4,536,001	4,443,153	4,902,972	5,530,769	5,036,260
Total OPEB Liability, Ending	\$ 4,471,820	\$ 4,536,001	\$ 4,443,153	\$ 4,902,972	\$ 5,530,769	\$ 5,036,260	\$ 5,860,428
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,479,721	\$ 1,189,389	\$ 1,181,061	\$ 1,263,921	\$ 1,515,347	\$ 1,396,318	\$ 1,716,413
Employer Proportionate Share of the Total OPEB Liability	2,992,099	3,346,612	3,262,092	3,639,051	4,015,422	3,639,942	4,144,015
Covered Employee Payroll	\$ 9,491,749	\$ 9,634,825	\$ 9,970,500	\$ 10,093,009	\$ 10,232,722	\$ 12,026,012	\$ 11,940,958
Total OPEB Liability as a percentage of covered employee payroll	47.11%	47.08%	44.56%	48.58%	54.05%	41.88%	49.08%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

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

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%
- For the 2024 plan year - from 8.37% to 10.31%

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

POLK 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	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization	
Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living 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.

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

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

CAPITAL PROJECT FUNDS

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for airport upgrades and maintenance.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Polk County that is subsequently contributed to the discretely presented Polk County School Department.

Other Capital Projects - Building Fund – The Other Capital Projects - Building Fund was established during the year from the proceeds from the sale of the Copper Basin Medical Center property for the purpose of accounting for transactions to be used to build a new courthouse in Ducktown.

ARP Capital Projects Fund – The ARP Capital Projects Fund is used to account for activity for the Local Assistance and Tribal Consistency Fund Grant.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the purchase of vehicles and equipment for the sheriff's department.

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

	Special Revenue Funds			Capital Projects Funds		
	Drug Control	Constitutional - Officers - Fees	Total	General Capital Projects	Other Capital Projects - Building Fund	ARP Capital Projects
ASSETS						
Cash	\$ 0	\$ 1,600	\$ 1,600	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	203,303	0	203,303	3,337	594,975	959,958
Accounts Receivable	0	28,192	28,192	0	0	0
Total Assets	\$ 203,303	\$ 29,792	\$ 233,095	\$ 3,337	\$ 594,975	\$ 959,958
LIABILITIES						
Due to Other Funds	\$ 0	\$ 29,792	\$ 29,792	\$ 0	\$ 0	\$ 0
Due to Other Governments	0	0	0	0	0	959,958
Total Liabilities	\$ 0	\$ 29,792	\$ 29,792	\$ 0	\$ 0	\$ 959,958
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 203,303	\$ 0	\$ 203,303	\$ 0	\$ 0	\$ 0
Restricted for Other Operations	0	0	0	3,337	0	0
Committed:						
Committed for General Government	0	0	0	0	594,975	0
Committed for Capital Outlay	0	0	0	0	0	0
Assigned:						
Assigned for Public Safety	0	0	0	0	0	0
Total Fund Balances	\$ 203,303	\$ 0	\$ 203,303	\$ 3,337	\$ 594,975	\$ 0
Total Liabilities and Fund Balances	\$ 203,303	\$ 29,792	\$ 233,095	\$ 3,337	\$ 594,975	\$ 959,958

(Continued)

POLK COUNTY, TENNESSEE
Combining Balance Sheet
 Nonmajor Governmental Funds (Cont.)

		Capital Projects Funds (Cont.)		
		<u>Other Capital Projects</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash		\$ 0	\$ 0	\$ 1,600
Equity in Pooled Cash and Investments		247,231	1,805,501	2,008,804
Accounts Receivable		0	0	28,192
		<hr/>		
Total Assets		<u>\$ 247,231</u>	<u>\$ 1,805,501</u>	<u>\$ 2,038,596</u>
LIABILITIES				
Due to Other Funds		\$ 0	\$ 0	\$ 29,792
Due to Other Governments		0	959,958	959,958
Total Liabilities		<u>\$ 0</u>	<u>\$ 959,958</u>	<u>\$ 989,750</u>
FUND BALANCES				
Restricted:				
Restricted for Public Safety		\$ 0	\$ 0	\$ 203,303
Restricted for Other Operations		0	3,337	3,337
Committed:				
Committed for General Government		0	594,975	594,975
Committed for Capital Outlay		111,115	111,115	111,115
Assigned:				
Assigned for Public Safety		136,116	136,116	136,116
Total Fund Balances		<u>\$ 247,231</u>	<u>\$ 845,543</u>	<u>\$ 1,048,846</u>
		<hr/>		
Total Liabilities and Fund Balances		<u>\$ 247,231</u>	<u>\$ 1,805,501</u>	<u>\$ 2,038,596</u>

POLK 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			Capital Projects Funds		
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Education Capital Projects	Other Capital Projects - Building Fund
Revenues						
Fines, Forfeitures, and Penalties	\$ 56,439	\$ 0	\$ 56,439	\$ 0	\$ 0	\$ 0
Charges for Current Services	0	230	230	0	0	0
Other Local Revenues	47	0	47	11,000	0	0
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	\$ 56,486	\$ 230	\$ 56,716	\$ 11,000	\$ 0	\$ 0
Expenditures						
Current:						
Finance	\$ 0	\$ 230	\$ 230	\$ 0	\$ 0	\$ 0
Public Safety	28,435	0	28,435	0	0	0
Other Operations	1,144	0	1,144	35,035	0	0
Capital Projects - Donated	0	0	0	0	364,000	0
Total Expenditures	\$ 29,579	\$ 230	\$ 29,809	\$ 35,035	\$ 364,000	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,907	\$ 0	\$ 26,907	\$(24,035)	\$(364,000)	\$ 0
Other Financing Sources (Uses)						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 364,000	\$ 0
Proceeds from Sale of Capital Assets	0	0	0	0	0	0
Transfers In	0	0	0	0	0	594,975
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 364,000	\$ 594,975
Net Change in Fund Balances	\$ 26,907	\$ 0	\$ 26,907	\$(24,035)	\$ 0	\$ 594,975
Fund Balance, July 1, 2023	176,396	0	176,396	27,372	0	0
Fund Balance, June 30, 2024	\$ 203,303	\$ 0	\$ 203,303	\$ 3,337	\$ 0	\$ 594,975

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other		Nonmajor
	Capital	Total	Governmental
	Projects		Funds
Revenues			
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 56,439
Charges for Current Services	124,633	124,633	124,863
Other Local Revenues	7,755	18,755	18,802
Other Governments and Citizens Groups	60,953	60,953	60,953
Total Revenues	\$ 193,341	\$ 204,341	\$ 261,057
Expenditures			
Current:			
Finance	\$ 0	\$ 0	\$ 230
Public Safety	116,380	116,380	144,815
Other Operations	1,259	36,294	37,438
Capital Projects - Donated	0	364,000	364,000
Total Expenditures	\$ 117,639	\$ 516,674	\$ 546,483
Excess (Deficiency) of Revenues			
Over Expenditures	\$ 75,702	\$(312,333)	\$(285,426)
Other Financing Sources (Uses)			
Other Loans Issued	\$ 0	\$ 364,000	\$ 364,000
Proceeds from Sale of Capital Assets	33,283	33,283	33,283
Transfers In	0	594,975	594,975
Total Other Financing Sources (Uses)	\$ 33,283	\$ 992,258	\$ 992,258
Net Change in Fund Balances	\$ 108,985	\$ 679,925	\$ 706,832
Fund Balance, July 1, 2023	138,246	165,618	342,014
Fund Balance, June 30, 2024	\$ 247,231	\$ 845,543	\$ 1,048,846

Exhibit F-3

POLK COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Fines, Forfeitures, and Penalties	\$ 56,439	\$ 0	\$ 56,439	\$ 44,500	\$ 44,500	\$ 11,939
Other Local Revenues	47	0	47	0	0	47
Total Revenues	<u>\$ 56,486</u>	<u>\$ 0</u>	<u>\$ 56,486</u>	<u>\$ 44,500</u>	<u>\$ 44,500</u>	<u>\$ 11,986</u>
Expenditures						
Public Safety						
Drug Enforcement	\$ 28,435	\$ 176	\$ 28,611	\$ 40,700	\$ 58,223	\$ 29,612
Other Operations						
Other Charges	583	0	583	750	750	167
Employee Benefits	561	0	561	1,071	1,071	510
Total Expenditures	<u>\$ 29,579</u>	<u>\$ 176</u>	<u>\$ 29,755</u>	<u>\$ 42,521</u>	<u>\$ 60,044</u>	<u>\$ 30,289</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 26,907</u>	<u>\$ (176)</u>	<u>\$ 26,731</u>	<u>\$ 1,979</u>	<u>\$ (15,544)</u>	<u>\$ 42,275</u>
Net Change in Fund Balance	\$ 26,907	\$ (176)	\$ 26,731	\$ 1,979	\$ (15,544)	\$ 42,275
Fund Balance, July 1, 2023	<u>176,396</u>	<u>0</u>	<u>176,396</u>	<u>168,703</u>	<u>168,703</u>	<u>7,693</u>
Fund Balance, June 30, 2024	<u>\$ 203,303</u>	<u>\$ (176)</u>	<u>\$ 203,127</u>	<u>\$ 170,682</u>	<u>\$ 153,159</u>	<u>\$ 49,968</u>

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Capital Projects Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 11,000	\$ 12,000	\$ 12,000	\$ (1,000)
Total Revenues	\$ 11,000	\$ 12,000	\$ 12,000	\$ (1,000)
Expenditures				
Other Operations				
Airport	\$ 34,935	\$ 10,000	\$ 37,780	\$ 2,845
Other Charges	100	120	120	20
Total Expenditures	\$ 35,035	\$ 10,120	\$ 37,900	\$ 2,865
Excess (Deficiency) of Revenues Over Expenditures	\$ (24,035)	\$ 1,880	\$ (25,900)	\$ 1,865
Net Change in Fund Balance	\$ (24,035)	\$ 1,880	\$ (25,900)	\$ 1,865
Fund Balance, July 1, 2023	27,372	15,447	27,372	0
Fund Balance, June 30, 2024	\$ 3,337	\$ 17,327	\$ 1,472	\$ 1,865

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 ARP Capital Projects
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Federal Government	\$ 0	\$ 479,979	\$ 479,979	\$ (479,979)
Total Revenues	\$ 0	\$ 479,979	\$ 479,979	\$ (479,979)
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 479,979	\$ 479,979	\$ (479,979)
Net Change in Fund Balance	\$ 0	\$ 479,979	\$ 479,979	\$ (479,979)
Fund Balance, July 1, 2023	0	479,979	479,979	(479,979)
Fund Balance, June 30, 2024	\$ 0	\$ 959,958	\$ 959,958	\$ (959,958)

Exhibit F-6

POLK COUNTY, TENNESSEE

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

Other Capital 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							
Charges for Current Services	\$ 124,633	\$ 0	\$ 0	\$ 124,633	\$ 70,000	\$ 70,000	\$ 54,633
Other Local Revenues	7,755	0	0	7,755	3,000	3,000	4,755
Other Governments and Citizens Groups	60,953	0	0	60,953	60,000	60,000	953
Total Revenues	\$ 193,341	\$ 0	\$ 0	\$ 193,341	\$ 133,000	\$ 133,000	\$ 60,341
Expenditures							
Public Safety							
Sheriff's Department	\$ 116,380	\$ (88,800)	\$ 136,116	\$ 163,696	\$ 150,000	\$ 169,530	\$ 5,834
Other Operations							
Other Charges	1,259	0	0	1,259	875	1,345	86
Total Expenditures	\$ 117,639	\$ (88,800)	\$ 136,116	\$ 164,955	\$ 150,875	\$ 170,875	\$ 5,920
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 75,702	\$ 88,800	\$ (136,116)	\$ 28,386	\$ (17,875)	\$ (37,875)	\$ 66,261
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	\$ 33,283	\$ 0	\$ 0	\$ 33,283	\$ 0	\$ 0	\$ 33,283
Total Other Financing Sources	\$ 33,283	\$ 0	\$ 0	\$ 33,283	\$ 0	\$ 0	\$ 33,283
Net Change in Fund Balance							
	\$ 108,985	\$ 88,800	\$ (136,116)	\$ 61,669	\$ (17,875)	\$ (37,875)	\$ 99,544
Fund Balance, July 1, 2023	138,246	(88,800)	0	49,446	102,690	102,690	(53,244)
Fund Balance, June 30, 2024	\$ 247,231	\$ 0	\$ (136,116)	\$ 111,115	\$ 84,815	\$ 64,815	\$ 46,300

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.

POLK 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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,121,590	\$ 1,091,270	\$ 1,091,270	\$ 30,320
Other Local Revenues	285,411	8,500	78,500	206,911
State of Tennessee	104,538	105,000	105,000	(462)
Other Governments and Citizens Groups	959,145	803,299	959,144	1
Total Revenues	<u>\$ 2,470,684</u>	<u>\$ 2,008,069</u>	<u>\$ 2,233,914</u>	<u>\$ 236,770</u>
Expenditures				
Principal on Debt				
General Government	\$ 582,750	\$ 1,829,000	\$ 582,750	\$ 0
Highways and Streets	145,000	145,000	145,000	0
Education	1,531,347	0	1,531,347	0
Interest on Debt				
General Government	52,568	113,670	52,568	0
Highways and Streets	8,299	0	8,300	1
Education	137,890	0	146,115	8,225
Other Debt Service				
General Government	29,692	25,200	30,225	533
Highways and Streets	0	8,300	0	0
Education	8,766	0	9,035	269
Total Expenditures	<u>\$ 2,496,312</u>	<u>\$ 2,121,170</u>	<u>\$ 2,505,340</u>	<u>\$ 9,028</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (25,628)</u>	<u>\$ (113,101)</u>	<u>\$ (271,426)</u>	<u>\$ 245,798</u>
Other Financing Sources (Uses)				
Transfers In	\$ 153,299	\$ 0	\$ 153,299	\$ 0
Transfers Out	(594,975)	0	(594,975)	0
Special Item - Loss on Disposal of Property (See Note I.D.9.)	(3,135,525)	0	(3,135,525)	0
Total Other Financing Sources	<u>\$ (3,577,201)</u>	<u>\$ 0</u>	<u>\$ (3,577,201)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (3,602,829)	\$ (113,101)	\$ (3,848,627)	\$ 245,798
Fund Balance, July 1, 2023	<u>4,674,489</u>	<u>4,656,701</u>	<u>4,656,701</u>	<u>17,788</u>
Fund Balance, June 30, 2024	<u>\$ 1,071,660</u>	<u>\$ 4,543,600</u>	<u>\$ 808,074</u>	<u>\$ 263,586</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, other county funds, litigants, heirs, and others.

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

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
ASSETS			
Cash	\$ 0	\$ 927,314	\$ 927,314
Accounts Receivable	0	599	599
Due from Other Governments	133,111	0	133,111
Total Assets	<u>\$ 133,111</u>	<u>\$ 927,913</u>	<u>\$ 1,061,024</u>
LIABILITIES			
Due to Other Taxing Units	\$ 133,111	\$ 0	\$ 133,111
Total Liabilities	<u>\$ 133,111</u>	<u>\$ 0</u>	<u>\$ 133,111</u>
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 927,913	\$ 927,913
Total Net Position	<u>\$ 0</u>	<u>\$ 927,913</u>	<u>\$ 927,913</u>

POLK 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	\$ 765,059	\$ 0	\$ 765,059
Fines/Fees and Other Collections	0	6,219,721	6,219,721
Total Additions	\$ 765,059	\$ 6,219,721	\$ 6,984,780
Deductions			
Payment of Sales Tax Collections for Other Governments	\$ 765,059	\$ 0	\$ 765,059
Payments to State	0	3,017,958	3,017,958
Payments to Cities, Individuals, and Others	0	2,880,789	2,880,789
Total Deductions	\$ 765,059	\$ 5,898,747	\$ 6,663,806
Change in Net Position	\$ 0	\$ 320,974	\$ 320,974
Net Position July 1, 2023	0	606,939	606,939
Net Position June 30, 2024	\$ 0	\$ 927,913	\$ 927,913

POLK COUNTY SCHOOL DEPARTMENT

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

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

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

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 individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the school department.

Self-Insurance Fund – The Self-Insurance Fund is an internal service fund used to account for the school department employees' self-insurance dental program. In prior years, school funds were placed into this fund for the payment of dental claims for employees who chose to participate in the program. However, due to the increased costs of the plan, operations ceased in October 2002, but a balance remains in the fund.

POLK COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Polk County School Department

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 15,966,316	\$ 28	\$ 3,490,637	\$ 0	\$ (12,475,651)
Support Services	10,915,424	0	1,352,205	364,000	(9,199,219)
Operation of Non-instructional Services	3,247,901	82,398	3,086,671	0	(78,832)
Total Governmental Activities	<u>\$ 30,129,641</u>	<u>\$ 82,426</u>	<u>\$ 7,929,513</u>	<u>\$ 364,000</u>	<u>\$ (21,753,702)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,306,164
Local Option Sales Taxes					3,491,677
Other Local Taxes					27,127
Grants and Contributions Not Restricted to Specific Programs					18,016,832
Unrestricted Investment Earnings					21,366
Miscellaneous					129
Donation of Capital Assets					1,000,000
Total General Revenues					<u>\$ 23,863,295</u>
Insurance Recovery					<u>\$ 45,093</u>
Change in Net Position					\$ 2,154,686
Net Position, July 1, 2023					<u>22,216,670</u>
Net Position, June 30, 2024					<u><u>\$ 24,371,356</u></u>

POLK COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Polk County School Department

June 30, 2024

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Governmental Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 453,439	\$ 453,439
Equity in Pooled Cash and Investments	2,265,134	161,948	1,227,169	86,032	3,740,283
Accounts Receivable	103,377	4,060	0	114	107,551
Due from Other Governments	2,246,258	693,467	92,291	27,405	3,059,421
Due from Other Funds	254,335	8,698	201,449	0	464,482
Property Taxes Receivable	1,242,465	0	0	0	1,242,465
Allowance for Uncollectible Property Taxes	(38,712)	0	0	0	(38,712)
Restricted Assets	255,361	0	0	0	255,361
Total Assets	\$ 6,328,218	\$ 868,173	\$ 1,520,909	\$ 566,990	\$ 9,284,290
LIABILITIES					
Accounts Payable	\$ 75,756	\$ 44,625	\$ 0	\$ 1,458	\$ 121,839
Accrued Payroll	8,424	1,943	0	0	10,367
Payroll Deductions Payable	280,710	66,413	0	16,259	363,382
Contracts Payable	131,924	0	0	0	131,924
Due to Other Funds	210,147	254,335	0	0	464,482
Due to Primary Government	5,222	0	0	0	5,222
Due to State of Tennessee	0	4,213	0	220	4,433
Total Liabilities	\$ 712,183	\$ 371,529	\$ 0	\$ 17,937	\$ 1,101,649

(Continued)

POLK COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Polk County School Department (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Governmental Funds	
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 1,125,868	\$ 0	\$ 0	\$ 0	\$ 1,125,868
Deferred Delinquent Property Taxes	74,648	0	0	0	74,648
Other Deferred/Unavailable Revenue	290,069	0	49,026	0	339,095
Total Deferred Inflows of Resources	\$ 1,490,585	\$ 0	\$ 49,026	\$ 0	\$ 1,539,611
FUND BALANCES					
Restricted:					
Restricted for Education	\$ 19,165	\$ 146,644	\$ 1,471,883	\$ 549,053	\$ 2,186,745
Restricted for Hybrid Retirement Stabilization Funds	255,361	0	0	0	255,361
Committed:					
Committed for Education	0	350,000	0	0	350,000
Assigned:					
Assigned for Education	555,125	0	0	0	555,125
Unassigned	3,295,799	0	0	0	3,295,799
Total Fund Balances	\$ 4,125,450	\$ 496,644	\$ 1,471,883	\$ 549,053	\$ 6,643,030
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,328,218	\$ 868,173	\$ 1,520,909	\$ 566,990	\$ 9,284,290

POLK COUNTY, TENNESSEE

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Discretely Presented Polk 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)		\$ 6,643,030
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 401,500	
Add: construction in progress	598,365	
Add: buildings and improvements net of accumulated depreciation	10,372,286	
Add: other capital assets net of accumulated depreciation	<u>3,335,606</u>	14,707,757
(2) Internal service funds are used by management to charge the cost of employee self-insurance benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		41,230
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: pension liability - agent plan	\$ (59,876)	
Less: OPEB liability	<u>(4,144,015)</u>	(4,203,891)
(4) 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	\$ 3,844,556	
Less: deferred inflows of resources related to pensions	(461,504)	
Add: deferred outflows of resources related to OPEB	1,044,248	
Less: deferred inflows of resources related to OPEB	<u>(826,713)</u>	3,600,587
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets - teacher retirement plan	\$ 72,989	
Add: net pension assets - teacher legacy pension plan	<u>3,095,911</u>	3,168,900
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>413,743</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 24,371,356</u></u>

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Governmental Funds	
Revenues					
Local Taxes	\$ 4,347,102	\$ 0	\$ 492,149	\$ 0	\$ 4,839,251
Licenses and Permits	1,548	0	0	0	1,548
Fines, Forfeitures, and Penalties	28	0	0	0	28
Charges for Current Services	0	0	0	61,198	61,198
Other Local Revenues	317,075	0	0	898,978	1,216,053
State of Tennessee	19,267,376	0	0	12,808	19,280,184
Federal Government	730,876	3,083,192	0	1,292,932	5,107,000
Other Governments and Citizens Groups	880,329	0	0	0	880,329
Total Revenues	\$ 25,544,334	\$ 3,083,192	\$ 492,149	\$ 2,265,916	\$ 31,385,591
Expenditures					
Current:					
Instruction	\$ 12,699,833	\$ 2,023,816	\$ 0	\$ 0	\$ 14,723,649
Support Services	10,195,035	761,683	4,909	0	10,961,627
Operation of Non-Instructional Services	1,115,584	14,746	0	2,734,465	3,864,795
Capital Outlay	516,407	210,431	0	0	726,838
Debt Service:					
Other Debt Service	650,000	0	0	0	650,000
Total Expenditures	\$ 25,176,859	\$ 3,010,676	\$ 4,909	\$ 2,734,465	\$ 30,926,909
Excess (Deficiency) of Revenues Over Expenditures	\$ 367,475	\$ 72,516	\$ 487,240	\$ (468,549)	\$ 458,682

(Continued)

POLK COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
 Discretely Presented Polk County School Department (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Governmental Funds	
Other Financing Sources (Uses)					
Insurance Recovery	\$ 45,093	\$ 0	\$ 0	\$ 0	\$ 45,093
Transfers In	0	0	0	200,000	200,000
Transfers Out	(200,000)	0	0	0	(200,000)
Total Other Financing Sources (Uses)	\$ (154,907)	\$ 0	\$ 0	\$ 200,000	\$ 45,093
Net Change in Fund Balances	\$ 212,568	\$ 72,516	\$ 487,240	\$ (268,549)	\$ 503,775
Fund Balance, July 1, 2023	3,912,882	424,128	984,643	817,602	6,139,255
Fund Balance, June 30, 2024	<u>\$ 4,125,450</u>	<u>\$ 496,644</u>	<u>\$ 1,471,883</u>	<u>\$ 549,053</u>	<u>\$ 6,643,030</u>

POLK COUNTY, TENNESSEE

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

Discretely Presented Polk 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)		\$ 503,775
(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	\$ 1,618,930	
Less: current-year depreciation expense	<u>(570,254)</u>	1,048,676
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net position.		
Add: assets donated and capitalized	\$ 1,000,000	
Less: book value of capital assets disposed	<u>(2,427)</u>	997,573
(3) 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	\$ 413,743	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(381,441)</u>	32,302
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension liability - agent plan	\$ (49,302)	
Change in net pension asset - teacher retirement plan	19,859	
Change in net pension asset - teacher legacy pension plan	(269,544)	
Change in deferred outflows related to pensions	(483,488)	
Change in deferred inflows related to pensions	557,826	
Change in OPEB liability	(504,073)	
Change in deferred outflows related to OPEB	218,032	
Change in deferred inflows related to OPEB	<u>83,045</u>	(427,645)
(5) Internal service funds are used by management to charge the cost of employee self-insurance benefits to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>5</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,154,686</u>

POLK COUNTY, TENNESSEE

Combining Balance Sheet - Nonmajor Governmental Funds

Discretely Presented Polk County School Department

June 30, 2024

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
ASSETS			
Cash	\$ 510	\$ 452,929	\$ 453,439
Equity in Pooled Cash and Investments	86,032	0	86,032
Accounts Receivable	114	0	114
Due from Other Governments	27,405	0	27,405
Total Assets	<u>\$ 114,061</u>	<u>\$ 452,929</u>	<u>\$ 566,990</u>
LIABILITIES			
Accounts Payable	\$ 438	\$ 1,020	\$ 1,458
Payroll Deductions Payable	16,259	0	16,259
Due to State of Tennessee	220	0	220
Total Liabilities	<u>\$ 16,917</u>	<u>\$ 1,020</u>	<u>\$ 17,937</u>
FUND BALANCES			
Restricted:			
Restricted for Education	\$ 97,144	\$ 451,909	\$ 549,053
Total Fund Balances	<u>\$ 97,144</u>	<u>\$ 451,909</u>	<u>\$ 549,053</u>
Total Liabilities and Fund Balances	<u>\$ 114,061</u>	<u>\$ 452,929</u>	<u>\$ 566,990</u>

POLK COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
 Discretely Presented Polk County School Department
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		Total
	Central Cafeteria	Internal School	Nonmajor Governmental Funds
Revenues			
Charges for Current Services	\$ 61,198	\$ 0	\$ 61,198
Other Local Revenues	55	898,923	898,978
State of Tennessee	12,808	0	12,808
Federal Government	1,292,932	0	1,292,932
Total Revenues	<u>\$ 1,366,993</u>	<u>\$ 898,923</u>	<u>\$ 2,265,916</u>
Expenditures			
Current:			
Operation of Non-Instructional Services	\$ 1,826,438	\$ 908,027	\$ 2,734,465
Total Expenditures	<u>\$ 1,826,438</u>	<u>\$ 908,027</u>	<u>\$ 2,734,465</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (459,445)</u>	<u>\$ (9,104)</u>	<u>\$ (468,549)</u>
Other Financing Sources (Uses)			
Transfers In	\$ 200,000	\$ 0	\$ 200,000
Total Other Financing Sources (Uses)	<u>\$ 200,000</u>	<u>\$ 0</u>	<u>\$ 200,000</u>
Net Change in Fund Balances	\$ (259,445)	\$ (9,104)	\$ (268,549)
Fund Balance, July 1, 2023	<u>356,589</u>	<u>461,013</u>	<u>817,602</u>
Fund Balance, June 30, 2024	<u>\$ 97,144</u>	<u>\$ 451,909</u>	<u>\$ 549,053</u>

POLK COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Polk 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	\$ 4,347,102	\$ 0	\$ 0	\$ 4,347,102	\$ 4,076,293	\$ 4,076,293	\$ 270,809
Licenses and Permits	1,548	0	0	1,548	1,500	1,500	48
Fines, Forfeitures, and Penalties	28	0	0	28	1,500	1,500	(1,472)
Other Local Revenues	317,075	0	0	317,075	119,920	256,690	60,385
State of Tennessee	19,267,376	0	0	19,267,376	16,884,246	20,361,860	(1,094,484)
Federal Government	730,876	0	0	730,876	257,000	1,022,515	(291,639)
Other Governments and Citizens Groups	880,329	0	0	880,329	0	880,329	0
Total Revenues	\$ 25,544,334	\$ 0	\$ 0	\$ 25,544,334	\$ 21,340,459	\$ 26,600,687	\$ (1,056,353)
Expenditures							
Instruction							
Regular Instruction Program	\$ 9,904,543	\$ (202)	\$ 1,200	\$ 9,905,541	\$ 9,680,651	\$ 10,052,177	\$ 146,636
Alternative Instruction Program	128,846	0	0	128,846	128,563	129,493	647
Special Education Program	1,294,168	0	0	1,294,168	1,165,569	1,294,976	808
Career and Technical Education Program	1,372,276	0	0	1,372,276	812,975	1,850,066	477,790
Support Services							
Attendance	55,309	0	0	55,309	64,677	55,809	500
Health Services	377,692	0	0	377,692	404,427	384,190	6,498
Other Student Support	1,049,997	(2,603)	2,000	1,049,394	831,242	1,104,306	54,912
Regular Instruction Program	600,868	0	1,288	602,156	667,646	640,895	38,739
Special Education Program	257,386	0	0	257,386	234,045	271,763	14,377
Career and Technical Education Program	65,731	0	0	65,731	59,023	76,804	11,073
Technology	924,480	0	0	924,480	262,848	951,352	26,872
Other Programs	57,902	0	0	57,902	0	57,902	0
Board of Education	616,269	0	950	617,219	664,750	661,469	44,250
Director of Schools	336,338	(380)	177	336,135	319,550	342,967	6,832

(Continued)

POLK COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Polk 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.)							
Office of the Principal	\$ 1,351,632	\$ 0	\$ 0	\$ 1,351,632	\$ 1,301,406	\$ 1,353,957	\$ 2,325
Fiscal Services	281,021	(254)	0	280,767	260,306	282,108	1,341
Operation of Plant	1,994,570	(6,526)	7,771	1,995,815	1,840,410	2,057,969	62,154
Maintenance of Plant	298,842	(3,000)	0	295,842	192,807	297,980	2,138
Transportation	1,926,998	0	11,102	1,938,100	1,525,745	2,079,581	141,481
Operation of Non-Instructional Services							
Food Service	154,974	0	3,103	158,077	112,295	163,018	4,941
Community Services	372,734	(1,422)	495	371,807	26,278	388,603	16,796
Early Childhood Education	587,876	0	0	587,876	105,246	1,142,955	555,079
Capital Outlay							
Regular Capital Outlay	516,407	0	527,039	1,043,446	30,000	1,131,924	88,478
Other Debt Service							
Education	650,000	0	0	650,000	650,000	650,000	0
Total Expenditures	\$ 25,176,859	\$ (14,387)	\$ 555,125	\$ 25,717,597	\$ 21,340,459	\$ 27,422,264	\$ 1,704,667
Excess (Deficiency) of Revenues Over Expenditures	\$ 367,475	\$ 14,387	\$ (555,125)	\$ (173,263)	\$ 0	\$ (821,577)	\$ 648,314
Other Financing Sources (Uses)							
Insurance Recovery	\$ 45,093	\$ 0	\$ 0	\$ 45,093	\$ 0	\$ 0	\$ 45,093
Transfers Out	(200,000)	0	0	(200,000)	0	(200,000)	0
Total Other Financing Sources	\$ (154,907)	\$ 0	\$ 0	\$ (154,907)	\$ 0	\$ (200,000)	\$ 45,093
Net Change in Fund Balance	\$ 212,568	\$ 14,387	\$ (555,125)	\$ (328,170)	\$ 0	\$ (1,021,577)	\$ 693,407
Fund Balance, July 1, 2023	3,912,882	(14,387)	0	3,898,495	3,460,310	3,460,310	438,185
Fund Balance, June 30, 2024	\$ 4,125,450	\$ 0	\$ (555,125)	\$ 3,570,325	\$ 3,460,310	\$ 2,438,733	\$ 1,131,592

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Polk 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	\$ 3,083,192	\$ 0	\$ 0	\$ 3,083,192	\$ 1,545,961	\$ 3,317,249	\$ (234,057)
Total Revenues	\$ 3,083,192	\$ 0	\$ 0	\$ 3,083,192	\$ 1,545,961	\$ 3,317,249	\$ (234,057)
Expenditures							
Instruction							
Regular Instruction Program	\$ 1,106,379	\$ (19,193)	\$ 0	\$ 1,087,186	\$ 411,181	\$ 1,169,229	\$ 82,043
Special Education Program	517,409	0	0	517,409	535,197	564,796	47,387
Career and Technical Education Program	400,028	(2,600)	0	397,428	175,000	450,041	52,613
Support Services							
Health Services	181	0	0	181	0	2,800	2,619
Other Student Support	150,732	0	0	150,732	193,069	173,752	23,020
Regular Instruction Program	297,221	0	0	297,221	207,840	333,696	36,475
Special Education Program	134,442	0	0	134,442	19,000	251,578	117,136
Career and Technical Education Program	3,333	0	0	3,333	3,674	3,674	341
Technology	106,204	0	59,600	165,804	0	192,292	26,488
Director of Schools	19,000	0	0	19,000	0	19,001	1
Operation of Plant	50,570	0	0	50,570	0	50,577	7
Transportation	0	0	0	0	1,000	2,127	2,127
Operation of Non-Instructional Services							
Food Service	14,746	0	0	14,746	0	14,746	0
Capital Outlay							
Regular Capital Outlay	210,431	0	73,000	283,431	0	302,000	18,569
Total Expenditures	\$ 3,010,676	\$ (21,793)	\$ 132,600	\$ 3,121,483	\$ 1,545,961	\$ 3,530,309	\$ 408,826
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 72,516	\$ 21,793	\$ (132,600)	\$ (38,291)	\$ 0	\$ (213,060)	\$ 174,769
Net Change in Fund Balance							
Fund Balance, July 1, 2023	\$ 424,128	(21,793)	0	402,335	350,000	350,000	52,335
Fund Balance, June 30, 2024	\$ 496,644	\$ 0	\$ (132,600)	\$ 364,044	\$ 350,000	\$ 136,940	\$ 227,104

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Polk County School Department
 Central Cafeteria Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 61,198	\$ 96,000	\$ 96,000	\$ (34,802)
Other Local Revenues	55	10	10	45
State of Tennessee	12,808	14,000	14,000	(1,192)
Federal Government	1,292,932	1,545,143	1,627,726	(334,794)
Total Revenues	\$ 1,366,993	\$ 1,655,153	\$ 1,737,736	\$ (370,743)
Expenditures				
Operation of Non-Instructional Services				
Food Service	\$ 1,826,438	\$ 1,655,153	\$ 1,937,736	\$ 111,298
Total Expenditures	\$ 1,826,438	\$ 1,655,153	\$ 1,937,736	\$ 111,298
Excess (Deficiency) of Revenues Over Expenditures	\$ (459,445)	\$ 0	\$ (200,000)	\$ (259,445)
Other Financing Sources (Uses)				
Transfers In	\$ 200,000	\$ 0	\$ 200,000	\$ 0
Total Other Financing Sources	\$ 200,000	\$ 0	\$ 200,000	\$ 0
Net Change in Fund Balance	\$ (259,445)	\$ 0	\$ 0	\$ (259,445)
Fund Balance, July 1, 2023	356,589	736,863	736,863	(380,274)
Fund Balance, June 30, 2024	\$ 97,144	\$ 736,863	\$ 736,863	\$ (639,719)

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Polk County School Department
 Education Capital Projects Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 492,149	\$ 444,000	\$ 444,000	\$ 48,149
Total Revenues	\$ 492,149	\$ 444,000	\$ 444,000	\$ 48,149
Expenditures				
Support Services				
Board of Education	\$ 4,909	\$ 4,800	\$ 4,800	\$ (109)
Total Expenditures	\$ 4,909	\$ 4,800	\$ 4,800	\$ (109)
Excess (Deficiency) of Revenues Over Expenditures	\$ 487,240	\$ 439,200	\$ 439,200	\$ 48,040
Net Change in Fund Balance	\$ 487,240	\$ 439,200	\$ 439,200	\$ 48,040
Fund Balance, July 1, 2023	984,643	885,810	885,810	98,833
Fund Balance, June 30, 2024	\$ 1,471,883	\$ 1,325,010	\$ 1,325,010	\$ 146,873

POLK COUNTY, TENNESSEE

Statement of Net Position - Proprietary Fund

Discretely Presented Polk County School Department

June 30, 2024

		<u>Governmental Activities</u> Internal Service Fund <u>Self- Insurance Fund</u>
ASSETS		
Current Assets:		
Cash	\$	41,230
Total Assets	\$	<u>41,230</u>
NET POSITION		
Restricted for Education	\$	<u>41,230</u>
Total Net Position	\$	<u><u>41,230</u></u>

POLK COUNTY, TENNESSEE

**Statement of Revenues, Expenses, and Changes
in Net Position**

Discretely Presented Polk County School Department
Proprietary Fund

For the Year Ended June 30, 2024

	Governmental Activities
	Internal Service Fund
	Self- Insurance Fund
Nonoperating Revenues	
Investment Income	\$ 5
Total Nonoperating Revenues	<u>\$ 5</u>
Change in Net Position	\$ 5
Net Position, July 1, 2023	<u>41,225</u>
Net Position, June 30, 2024	<u><u>\$ 41,230</u></u>

POLK COUNTY, TENNESSEE

Statement of Cash Flows

Discretely Presented Polk County School Department

Proprietary Fund

For the Year Ended June 30, 2024

	Governmental Activities
	Internal Service Fund
	Self- Insurance Fund
Cash Flows from Investing Activities	
Interest on Investments	\$ 5
Net Cash Provided By (Used In) Investing Activities	\$ 5
Net Increase (Decrease) in Cash	\$ 5
Cash, July 1, 2023	41,225
Cash, June 30, 2024	\$ 41,230

MISCELLANEOUS SCHEDULES

Exhibit J-1

POLK COUNTY, TENNESSEE
Schedule of Changes in Long-Term Notes and Other Loans
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	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24
NOTES PAYABLE								
Payable through General Debt Service Fund								
Highway Capital Outlay Note 2019	\$ 700,000	3.73 %	8-16-19	8-1-24	\$ 295,000	\$ 0	\$ 145,000	\$ 150,000
Total Notes Payable					<u>\$ 295,000</u>	<u>\$ 0</u>	<u>\$ 145,000</u>	<u>\$ 150,000</u>
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
Series 2014 - School Roofs and Other Repairs	1,713,451	Variable	9-4-14	5-25-26	\$ 373,900	\$ 0	\$ 164,000	\$ 209,900
General Obligation Refunding Series 2017	11,955,000	Variable	4-28-17	5-25-25	3,415,000	0	1,665,000	1,750,000
Bus - 300	210,000	4.71	9-19-19	9-30-24	43,886	0	43,886	0
Bus - 301	85,000	4.71	12-18-19	12-31-24	17,763	0	17,763	0
Bus - 302	212,000	4.71	7-30-20	8-1-25	86,613	0	42,310	44,303
Bus - 303	314,000	4.71	8-13-21	8-18-26	188,135	0	59,848	128,287
Bus - 18132	213,000	4.75	7-1-22	7-14-26	166,357	0	38,741	127,616
Bus - 0773985L	364,000	6.71	11-6-23	10-2-27	0	364,000	82,549	281,451
Total Other Loans Payable					<u>\$ 4,291,654</u>	<u>\$ 364,000</u>	<u>\$ 2,114,097</u>	<u>\$ 2,541,557</u>

POLK COUNTY, TENNESSEE

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2025	\$ 150,000	\$ 2,798	\$ 152,798
Total	\$ 150,000	\$ 2,798	\$ 152,798

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2025	\$ 2,128,215	\$ 114,083	\$ 5,775	\$ 2,248,073
2026	218,963	23,609	1,534	244,106
2027	117,021	12,170	0	129,191
2028	77,358	5,191	0	82,549
Total	\$ 2,541,557	\$ 155,053	\$ 7,309	\$ 2,703,919

Exhibit J-3

POLK COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Polk County School Department

For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Other Special Revenue	General	Bonus pay	\$ 125,406
"	Solid Waste/Sanitation	"	8,494
"	Highway/Public Works	"	9,667
"	General	Capital outlay - equipment	34,000
General Debt Service	Other Capital Projects - Building	To open fund	594,975
Highway/Public Works	General Debt Service	Debt retirement	<u>153,299</u>
Total Transfers Primary Government			<u><u>\$ 925,841</u></u>
DISCRETELY PRESENTED POLK COUNTY SCHOOL DEPARTMENT			
General Purpose School	Central Cafeteria	Operations	<u>\$ 200,000</u>
Total Transfers Discretely Presented Polk County School Department			<u><u>\$ 200,000</u></u>

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

Primary Government and Discretely Presented Polk County School Department

For the Year Ended June 30, 2024

Official	Salary	Authorization	Bond	Surety
County Executive		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 100,157</u>			
Highway Superintendent		Section 8-24-102, <i>TCA</i>	\$ 100,000	Cincinnati Insurance Company
Base salary/Total compensation	<u>\$ 95,388</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 120,010			
Travel allowance	9,000			
Unused vacation days payout	5,001			
Chief executive officer training supplement	700			
Total compensation	<u>\$ 134,711</u>			
Director of Accounts and Budgets		County Commission	(1)	Local Government Insurance Pool
Base salary	\$ 40,342			
Bonus	1,360			
Total compensation	<u>\$ 41,702</u>			
Trustee		Section 8-24-102, <i>TCA</i>	895,905	Western Surety Company
Base salary/Total compensation	<u>\$ 86,716</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 86,716</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 86,716</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 86,716</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 86,716</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	<u>\$ 86,716</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary	\$ 95,388			
Law enforcement training supplement	800			
Total compensation	<u>\$ 96,188</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Insurance Pool
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

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

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 5,305,071	\$ 722,658	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	146,536	14,015	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	259,191	25,767	0	0	0	0
Interest and Penalty	28,181	3,058	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	72,427	9,634	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	3,346	456	0	0	0	0
Payments in-Lieu-of Taxes - Other	178,688	29,530	0	0	0	0
County Local Option Taxes						
Hotel/Motel Tax	105,043	0	0	0	0	0
Local Amusement Tax	24,453	0	0	0	0	0
Litigation Tax - General	47,554	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	29,392	0	0	0	0	0
Litigation Tax - Courthouse Security	2,634	0	0	0	0	0
Business Tax	66,799	9,157	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	42,327	5,763	0	0	0	0
Wholesale Beer Tax	199,786	0	0	0	0	0
Beer Privilege Tax	3,586	0	0	0	0	0
Total Local Taxes	\$ 6,515,014	\$ 820,038	\$ 0	\$ 0	\$ 0	0
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 66	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	90,102	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Licenses and Permits (Cont.)						
Permits						
Beer Permits	\$ 1,662	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	4,875	0	0	0	0	0
Electrical Permits	6,940	0	0	0	0	0
Total Licenses and Permits	\$ 103,645	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 1,014	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	3,868	0	0	0	0	0
Drug Control Fines	0	0	10,177	0	0	0
Drug Court Fees	998	0	0	0	0	0
Jail Fees	1,818	0	0	0	0	0
Data Entry Fee - Circuit Court	690	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	517	0	0	0	0	0
General Sessions Court						
Fines	7,986	0	0	0	0	0
Officers Costs	29,280	0	0	0	0	0
Game and Fish Fines	40	0	0	0	0	0
Drug Control Fines	0	0	23,992	0	0	0
Drug Court Fees	10,514	0	0	0	0	0
Jail Fees	8,460	0	0	0	0	0
DUI Treatment Fines	2,197	0	0	0	0	0
Data Entry Fee - General Sessions Court	4,200	0	0	0	0	0
Courtroom Security Fee	27,004	0	0	0	0	0

(Continued)

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

	<u>Special Revenue Funds</u>					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court						
Fines	\$ 28	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Juvenile Court	280	0	0	0	0	0
Chancery Court						
Officers Costs	2,308	0	0	0	0	0
Data Entry Fee - Chancery Court	3,524	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	8,412	0	0	0
Courtroom Security Fee	8	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	13,858	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 104,734</u>	<u>\$ 0</u>	<u>\$ 56,439</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Charges for Current Services						
General Service Charges						
Self-Insurance Premiums/Contributions	\$ 7,025	\$ 0	\$ 0	\$ 0	\$ 0	0
Convenience Waste Centers Collection Charge	0	7,455	0	0	0	0
Fees						
Copy Fees	5,321	0	0	0	0	0
Library Fees	871	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0
Additional Fees - Titling and Registration	16,992	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	230	0
Data Processing Fee - Register	5,632	0	0	0	0	0
Probation Fees	52,676	0	0	0	0	0
Data Processing Fee - Sheriff	1,559	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)						
Fees (Cont.)						
Sexual Offender Registration Fee - Sheriff	\$ 1,700	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Processing Fee - County Clerk	2,139	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,650	0	0	0	0	0
Education Charges						
Community Service Fees - Adults	2,445	0	0	0	0	0
Total Charges for Current Services	\$ 98,010	\$ 7,455	\$ 0	\$ 0	\$ 230	\$ 0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 0	\$ 0	\$ 0	23,897	\$ 0	6
Lease/Rentals/PPP	41,071	0	0	0	0	0
Sale of Materials and Supplies	15	0	0	0	0	441
Commissary Sales	79,125	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	306,367
Miscellaneous Refunds	81,497	0	0	0	0	1,213
Nonrecurring Items						
Sale of Equipment	5,000	0	0	0	0	0
Sale of Property	218	0	47	0	0	0
Contributions and Gifts	43,485	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	1,015	0	0	0	0	0
Total Other Local Revenues	\$ 251,426	\$ 0	\$ 47	\$ 23,897	\$ 0	\$ 308,027

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 213,360	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	32,363	0	0	0	0	0
General Sessions Court Clerk	90,067	0	0	0	0	0
Clerk and Master	97,132	0	0	0	0	0
Register	81,146	0	0	0	0	0
Sheriff	6,129	0	0	0	0	0
Trustee	469,999	0	0	0	0	0
Total Fees Received From County Officials	\$ 990,196	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	90,261	0	0	0	0	0
Child Restraint Program	3,406	0	0	0	0	0
Aging Programs	22,938	0	0	0	0	0
Other General Government Grants	2,646	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	20,698	0	0	0	0	0
School Resource Officer Grants	450,000	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	157,548	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	1,403,856
Litter Program	44,197	0	0	0	0	0
Other Public Works Grants	8,320	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues						
Beer Tax	\$ 18,498	\$ 0	\$ 0	\$ 0	\$ 0	0
Vehicle Certificate of Title Fees	17,826	0	0	0	0	0
Alcoholic Beverage Tax	67,017	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	87,803	0	0	0	0	0
State Revenue Sharing - T.V.A.	597,971	81,416	0	0	0	0
State Revenue Sharing - Telecommunications	31,361	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	28,244	0	0	0	0	0
Contracted Prisoner Boarding	1,345,885	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,373,779
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	9,607
Petroleum Special Tax	0	0	0	0	0	11,624
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	755,312	0	0	0	0	0
Other State Revenues	47,080	0	0	0	0	0
Total State of Tennessee	<u>\$ 3,821,175</u>	<u>\$ 81,416</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,798,866</u>
Federal Government						
Federal Through State						
Other Federal through State	\$ 17,210	\$ 0	\$ 0	\$ 0	\$ 0	82,314
Direct Federal Revenue						
Forest Service	35,351	0	0	0	0	80,129
American Rescue Plan Act Grant #6	0	0	0	2,194,571	0	0
Other Direct Federal Revenue	15,288	0	0	0	0	0
Total Federal Government	<u>\$ 67,849</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,194,571</u>	<u>\$ 0</u>	<u>\$ 162,443</u>

(Continued)

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

	<u>Special Revenue Funds</u>					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	0	0	0	0	0	0
Citizens Groups						
Donations	5,691	0	0	0	0	0
Other						
Opioid Settlement Funds - Past Remediation	96,156	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 101,847</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 12,053,896</u>	<u>\$ 908,909</u>	<u>\$ 56,486</u>	<u>\$ 2,218,468</u>	<u>\$ 230</u>	<u>\$ 4,269,336</u>

(Continued)

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

	Debt Service		Capital Projects Funds		Total
	Fund				
	General	General	Other		
	Debt	Capital	Capital		
	Service	Projects	Projects		
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 927,437	\$ 0	\$ 0	\$ 6,955,166	
Trustee's Collections - Prior Year	26,445	0	0	186,996	
Circuit Clerk/Clerk and Master Collections - Prior Years	46,722	0	0	331,680	
Interest and Penalty	5,042	0	0	36,281	
Payments in-Lieu-of Taxes - T.V.A.	12,695	0	0	94,756	
Payments in-Lieu-of Taxes - Local Utilities	585	0	0	4,387	
Payments in-Lieu-of Taxes - Other	31,084	0	0	239,302	
County Local Option Taxes					
Hotel/Motel Tax	52,521	0	0	157,564	
Local Amusement Tax	0	0	0	24,453	
Litigation Tax - General	0	0	0	47,554	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	29,392	
Litigation Tax - Courthouse Security	0	0	0	2,634	
Business Tax	11,659	0	0	87,615	
Statutory Local Taxes					
Bank Excise Tax	7,400	0	0	55,490	
Wholesale Beer Tax	0	0	0	199,786	
Beer Privilege Tax	0	0	0	3,586	
Total Local Taxes	\$ 1,121,590	\$ 0	\$ 0	\$ 8,456,642	
Licenses and Permits					
Licenses					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 66	
Cable TV Franchise	0	0	0	90,102	

(Continued)

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

	Debt Service			Total
	Fund	Capital Projects Funds		
	General Debt Service	General Capital Projects	Other Capital Projects	
Licenses and Permits (Cont.)				
Permits				
Beer Permits	\$ 0	\$ 0	\$ 0	1,662
Building Permits	0	0	0	4,875
Electrical Permits	0	0	0	6,940
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	103,645
Fines, Forfeitures, and Penalties				
Circuit Court				
Fines	\$ 0	\$ 0	\$ 0	1,014
Officers Costs	0	0	0	3,868
Drug Control Fines	0	0	0	10,177
Drug Court Fees	0	0	0	998
Jail Fees	0	0	0	1,818
Data Entry Fee - Circuit Court	0	0	0	690
Criminal Court				
DUI Treatment Fines	0	0	0	517
General Sessions Court				
Fines	0	0	0	7,986
Officers Costs	0	0	0	29,280
Game and Fish Fines	0	0	0	40
Drug Control Fines	0	0	0	23,992
Drug Court Fees	0	0	0	10,514
Jail Fees	0	0	0	8,460
DUI Treatment Fines	0	0	0	2,197
Data Entry Fee - General Sessions Court	0	0	0	4,200
Courtroom Security Fee	0	0	0	27,004

(Continued)

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

	Debt Service			Total
	Fund	Capital Projects Funds		
	General Debt Service	General Capital Projects	Other Capital Projects	
Fines, Forfeitures, and Penalties (Cont.)				
Juvenile Court				
Fines	\$ 0	\$ 0	\$ 0	28
Data Entry Fee - Juvenile Court	0	0	0	280
Chancery Court				
Officers Costs	0	0	0	2,308
Data Entry Fee - Chancery Court	0	0	0	3,524
Judicial District Drug Program				
Drug Task Force Forfeitures and Seizures	0	0	0	8,412
Courtroom Security Fee	0	0	0	8
Other Fines, Forfeitures, and Penalties				
Proceeds from Confiscated Property	0	0	0	13,858
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	161,173
Charges for Current Services				
General Service Charges				
Self-Insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	7,025
Convenience Waste Centers Collection Charge	0	0	0	7,455
Fees				
Copy Fees	0	0	0	5,321
Library Fees	0	0	0	871
Telephone Commissions	0	0	124,633	124,633
Additional Fees - Titling and Registration	0	0	0	16,992
Constitutional Officers' Fees and Commissions	0	0	0	230
Data Processing Fee - Register	0	0	0	5,632
Probation Fees	0	0	0	52,676
Data Processing Fee - Sheriff	0	0	0	1,559

(Continued)

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

	Debt Service			Total
	Fund	Capital Projects Funds		
	General Debt Service	General Capital Projects	Other Capital Projects	
Charges for Current Services (Cont.)				
Fees (Cont.)				
Sexual Offender Registration Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 1,700
Data Processing Fee - County Clerk	0	0	0	2,139
Vehicle Registration Reinstatement Fees	0	0	0	1,650
Education Charges				
Community Service Fees - Adults	0	0	0	2,445
Total Charges for Current Services	\$ 0	\$ 0	\$ 124,633	\$ 230,328
Other Local Revenues				
Recurring Items				
Investment Income	\$ 285,411	\$ 0	\$ 0	\$ 309,314
Lease/Rentals/PPP	0	11,000	0	52,071
Sale of Materials and Supplies	0	0	0	456
Commissary Sales	0	0	0	79,125
Sale of Gasoline	0	0	0	306,367
Miscellaneous Refunds	0	0	0	82,710
Nonrecurring Items				
Sale of Equipment	0	0	0	5,000
Sale of Property	0	0	7,755	8,020
Contributions and Gifts	0	0	0	43,485
Other Local Revenues				
Other Local Revenues	0	0	0	1,015
Total Other Local Revenues	\$ 285,411	\$ 11,000	\$ 7,755	\$ 887,563

(Continued)

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

	Debt Service			Capital Projects Funds		Total
	Fund	General	Debt	General	Other	
	Service	Debt	Projects	Capital	Projects	
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$	0	\$	0	\$	0
Circuit Court Clerk		0		0		0
General Sessions Court Clerk		0		0		0
Clerk and Master		0		0		0
Register		0		0		0
Sheriff		0		0		0
Trustee		0		0		0
Total Fees Received From County Officials	\$	0	\$	0	\$	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$	0	\$	0	\$	0
Airport Maintenance Program		0		0		0
Child Restraint Program		0		0		0
Aging Programs		0		0		0
Other General Government Grants		0		0		0
Public Safety Grants						
Law Enforcement Training Programs		0		0		0
School Resource Officer Grants		0		0		0
Health and Welfare Grants						
Health Department Programs		0		0		0
Public Works Grants						
State Aid Program		0		0		0
Litter Program		0		0		0
Other Public Works Grants		0		0		0

(Continued)

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

	<u>Debt Service</u>			<u>Capital Projects Funds</u>	
	<u>Fund</u>				
	General	General	Other		
	Debt	Capital	Capital		
	Service	Projects	Projects	Total	
State of Tennessee (Cont.)					
Other State Revenues					
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 18,498	
Vehicle Certificate of Title Fees	0	0	0	17,826	
Alcoholic Beverage Tax	0	0	0	67,017	
Opioid Settlement Funds - TN Abatement Council	0	0	0	87,803	
State Revenue Sharing - T.V.A.	104,538	0	0	783,925	
State Revenue Sharing - Telecommunications	0	0	0	31,361	
State Shared Sports Gaming Privilege Tax	0	0	0	28,244	
Contracted Prisoner Boarding	0	0	0	1,345,885	
Gasoline and Motor Fuel Tax	0	0	0	2,373,779	
Hybrid/Electric Vehicle Registration Fee	0	0	0	9,607	
Petroleum Special Tax	0	0	0	11,624	
Registrar's Salary Supplement	0	0	0	15,164	
Other State Grants	0	0	0	755,312	
Other State Revenues	0	0	0	47,080	
Total State of Tennessee	<u>\$ 104,538</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,805,995</u>	
Federal Government					
Federal Through State					
Other Federal through State	\$ 0	\$ 0	\$ 0	\$ 99,524	
Direct Federal Revenue					
Forest Service	0	0	0	115,480	
American Rescue Plan Act Grant #6	0	0	0	2,194,571	
Other Direct Federal Revenue	0	0	0	15,288	
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,424,863</u>	

(Continued)

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

	Debt Service Fund		Capital Projects Funds		Total
	General Debt Service	General Capital Projects	Other Capital Projects		
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 959,145	\$ 0	\$ 0	\$ 0	\$ 959,145
Contracted Services	0	0	60,953	0	60,953
Citizens Groups					
Donations	0	0	0	0	5,691
Other					
Opioid Settlement Funds - Past Remediation	0	0	0	0	96,156
Total Other Governments and Citizens Groups	<u>\$ 959,145</u>	<u>\$ 0</u>	<u>\$ 60,953</u>	<u>\$ 0</u>	<u>\$ 1,121,945</u>
Total	<u>\$ 2,470,684</u>	<u>\$ 11,000</u>	<u>\$ 193,341</u>	<u>\$ 0</u>	<u>\$ 22,182,350</u>

POLK COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
 Discretely Presented Polk County School Department
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	<u>Projects Fund</u>	
					Education Capital Projects	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 1,180,794	\$ 0	\$ 0	\$ 0	\$ 0	1,180,794
Trustee's Collections - Prior Year	43,054	0	0	0	0	43,054
Circuit Clerk/Clerk and Master Collections - Prior Years	70,138	0	0	0	0	70,138
Interest and Penalty	7,371	0	0	0	0	7,371
Payments in-Lieu-of Taxes - T.V.A.	15,523	0	0	0	0	15,523
Payments in-Lieu-of Taxes - Local Utilities	745	0	0	0	0	745
Payments in-Lieu-of Taxes - Other	20,897	0	0	0	0	20,897
County Local Option Taxes						
Local Option Sales Tax	2,972,033	0	0	0	492,149	3,464,182
Business Tax	14,574	0	0	0	0	14,574
Mixed Drink Tax	12,553	0	0	0	0	12,553
Statutory Local Taxes						
Bank Excise Tax	9,420	0	0	0	0	9,420
Total Local Taxes	<u>\$ 4,347,102</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 492,149</u>	<u>\$ 4,839,251</u>
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 1,548	\$ 0	\$ 0	\$ 0	\$ 0	1,548
Total Licenses and Permits	<u>\$ 1,548</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,548</u>
Fines, Forfeitures, and Penalties						
Juvenile Court						
Fines	\$ 28	\$ 0	\$ 0	\$ 0	\$ 0	28
Total Fines, Forfeitures, and Penalties	<u>\$ 28</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>28</u>

(Continued)

POLK COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Polk County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	
Charges for Current Services						
Education Charges						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 25,663	\$ 0	\$ 0	\$ 25,663
Income from Breakfast	0	0	2,785	0	0	2,785
A la Carte Sales	0	0	32,750	0	0	32,750
Total Charges for Current Services	\$ 0	\$ 0	\$ 61,198	\$ 0	\$ 0	\$ 61,198
Other Local Revenues						
Recurring Items						
Investment Income	\$ 21,360	\$ 0	\$ 1	\$ 0	\$ 0	\$ 21,361
Lease/Rentals/PPP	21,200	0	0	0	0	21,200
Miscellaneous Refunds	0	0	54	0	0	54
Nonrecurring Items						
Sale of Equipment	1,120	0	0	0	0	1,120
Damages Recovered from Individuals	75	0	0	0	0	75
Contributions and Gifts	273,079	0	0	0	0	273,079
Other Local Revenues						
Other Local Revenues	241	0	0	898,923	0	899,164
Total Other Local Revenues	\$ 317,075	\$ 0	\$ 55	\$ 898,923	\$ 0	\$ 1,216,053
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 57,902	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,902
State Education Funds						
Tennessee Investment in Student Achievement	16,793,855	0	0	0	0	16,793,855
TISA - On-behalf Payments	43,907	0	0	0	0	43,907

(Continued)

POLK COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Polk County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	
State of Tennessee (Cont.)						
State Education Funds (Cont.)						
Early Childhood Education	\$ 533,146	\$ 0	\$ 0	\$ 0	\$ 0	533,146
School Food Service	0	0	12,808	0	0	12,808
Driver Education	5,559	0	0	0	0	5,559
Other State Education Funds	317,053	0	0	0	0	317,053
Career Ladder Program	17,589	0	0	0	0	17,589
Other Vocational	1,226,348	0	0	0	0	1,226,348
Other State Revenues						
State Revenue Sharing - T.V.A.	133,088	0	0	0	0	133,088
Other State Grants	83,250	0	0	0	0	83,250
Safe Schools	5,585	0	0	0	0	5,585
Other State Revenues	50,094	0	0	0	0	50,094
Total State of Tennessee	\$ 19,267,376	\$ 0	\$ 12,808	\$ 0	\$ 0	19,280,184
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	776,890	\$ 0	\$ 0	776,890
USDA - Commodities	0	0	108,221	0	0	108,221
Breakfast	0	0	312,782	0	0	312,782
USDA - Other	0	0	78,538	0	0	78,538
Vocational Education - Basic Grants to States	0	246,589	0	0	0	246,589
Title I Grants to Local Education Agencies	0	604,576	0	0	0	604,576
Special Education - Grants to States	0	551,157	0	0	0	551,157
Special Education Preschool Grants	0	23,235	0	0	0	23,235
Eisenhower Professional Development State Grants	0	92,633	0	0	0	92,633

(Continued)

POLK COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Polk County School Department (Cont.)

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	General Purpose School	School	Central	Internal	Education	
		Federal Projects	Cafeteria	School	Capital Projects	
Federal Government (Cont.)						
Federal Through State (Cont.)						
COVID-19 Grant B	\$ 0	\$ 203,199	\$ 0	\$ 0	\$ 0	203,199
American Rescue Plan Act Grant #1	0	1,264,389	0	0	0	1,264,389
American Rescue Plan Act Grant #2	0	10,907	0	0	0	10,907
American Rescue Plan Act Grant #3	0	13	0	0	0	13
American Rescue Plan Act Grant #4	0	29,916	0	0	0	29,916
Other Federal through State	411,021	56,578	16,501	0	0	484,100
Direct Federal Revenue						
Forest Service	120,194	0	0	0	0	120,194
Other Direct Federal Revenue	199,661	0	0	0	0	199,661
Total Federal Government	\$ 730,876	\$ 3,083,192	\$ 1,292,932	\$ 0	\$ 0	5,107,000
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 880,329	\$ 0	\$ 0	\$ 0	\$ 0	880,329
Total Other Governments and Citizens Groups	\$ 880,329	\$ 0	\$ 0	\$ 0	\$ 0	880,329
Total	\$ 25,544,334	\$ 3,083,192	\$ 1,366,993	\$ 898,923	\$ 492,149	\$ 31,385,591

POLK 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	\$	34,500	
Social Security		2,075	
Employee and Dependent Insurance		46,914	
Employer Medicare		485	
Workers' Compensation Insurance		300	
Total County Commission			\$ 84,274

County Mayor/Executive

County Official/Administrative Officer	\$	100,157	
Secretary(ies)		26,894	
Bonus Payments		1,360	
Social Security		7,258	
Pensions		6,421	
Employee and Dependent Insurance		35,241	
Unemployment Compensation		35	
Employer Medicare		1,697	
Travel		250	
Workers' Compensation Insurance		400	
Total County Mayor/Executive			179,713

County Attorney

County Official/Administrative Officer	\$	34,200	
Social Security		2,120	
Employer Medicare		496	
Total County Attorney			36,816

Election Commission

County Official/Administrative Officer	\$	78,044	
Deputy(ies)		25,047	
Bonus Payments		1,360	
Election Commission		6,350	
Election Workers		10,680	
In-service Training		5,070	
Social Security		6,602	
Pensions		5,222	
Employee and Dependent Insurance		13,471	
Unemployment Compensation		35	
Employer Medicare		1,544	
Communication		2,627	
Legal Notices, Recording, and Court Costs		2,211	
Maintenance and Repair Services - Equipment		150	
Rentals		300	
Other Contracted Services		42,247	
Office Supplies		1,037	
Other Supplies and Materials		1,178	
Liability Insurance		6,806	
Workers' Compensation Insurance		200	
Total Election Commission			210,181

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	86,716	
Clerical Personnel		47,304	
Bonus Payments		2,720	
Social Security		8,014	
Pensions		6,973	
Employee and Dependent Insurance		32,622	
Unemployment Compensation		71	
Employer Medicare		1,874	
Dues and Memberships		688	
Maintenance Agreements		7,659	
Printing, Stationery, and Forms		1,083	
Other Contracted Services		1,600	
Workers' Compensation Insurance		300	
Data Processing Equipment		1,747	
Total Register of Deeds			\$ 199,371

County Buildings

Custodial Personnel	\$	56,029	
Bonus Payments		2,720	
Social Security		3,642	
Pensions		1,528	
Unemployment Compensation		103	
Employer Medicare		852	
Maintenance and Repair Services - Buildings		22,035	
Maintenance and Repair Services - Equipment		15,250	
Other Contracted Services		50,300	
Custodial Supplies		3,539	
Utilities		100,937	
Workers' Compensation Insurance		28,500	
Total County Buildings			285,435

Other General Administration

Life Insurance	\$	8,478	
Audit Services		7,544	
Communication		61,185	
Legal Services		12,292	
Legal Notices, Recording, and Court Costs		1,776	
Maintenance and Repair Services - Equipment		12,129	
Medical and Dental Services		41,464	
Pest Control		4,021	
Postal Charges		34,755	
Other Contracted Services		62,416	
Office Supplies		3,185	
Other Supplies and Materials		1,376	
Building and Contents Insurance		67,923	
Liability Insurance		17,200	
Other Charges		448	
Total Other General Administration			336,192

(Continued)

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

General Fund (Cont.)

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	40,342	
Assistant(s)		22,390	
Bonus Payments		2,720	
Social Security		4,037	
Pensions		3,273	
Employee and Dependent Insurance		867	
Unemployment Compensation		90	
Employer Medicare		944	
Data Processing Services		20,822	
Travel		158	
Workers' Compensation Insurance		400	
Total Accounting and Budgeting	\$		96,043

Property Assessor's Office

County Official/Administrative Officer	\$	86,716	
Assistant(s)		49,250	
Deputy(ies)		26,894	
Bonus Payments		4,080	
Social Security		10,078	
Pensions		8,347	
Employee and Dependent Insurance		13,553	
Unemployment Compensation		123	
Employer Medicare		2,357	
Data Processing Services		16,643	
Dues and Memberships		688	
Travel		273	
Permits		8,305	
Other Contracted Services		13,404	
Gasoline		369	
Office Supplies		1,854	
Other Supplies and Materials		1,602	
Workers' Compensation Insurance		400	
Data Processing Equipment		2,350	
Total Property Assessor's Office			247,286

County Trustee's Office

County Official/Administrative Officer	\$	86,716	
Deputy(ies)		79,646	
Bonus Payments		4,080	
In-service Training		1,427	
Social Security		9,942	
Pensions		8,386	
Employee and Dependent Insurance		19,929	
Unemployment Compensation		113	
Employer Medicare		2,325	
Communication		792	
Data Processing Services		16,735	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Dues and Memberships	\$	688	
Legal Notices, Recording, and Court Costs		70	
Printing, Stationery, and Forms		285	
Rentals		138	
Data Processing Supplies		840	
Office Supplies		634	
Workers' Compensation Insurance		500	
Data Processing Equipment		127	
Total County Trustee's Office			\$ 233,373

County Clerk's Office

County Official/Administrative Officer	\$	86,716	
Deputy(ies)		101,173	
Secretary to Board		50	
Bonus Payments		16,809	
Social Security		11,933	
Pensions		10,237	
Employee and Dependent Insurance		43,327	
Unemployment Compensation		141	
Employer Medicare		2,791	
Dues and Memberships		688	
Legal Notices, Recording, and Court Costs		658	
Maintenance Agreements		18,108	
Travel		112	
Office Supplies		4,148	
Workers' Compensation Insurance		500	
Data Processing Equipment		1,795	
Office Equipment		177	
Total County Clerk's Office			299,363

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	86,716	
Deputy(ies)		100,206	
Bonus Payments		5,440	
Jury and Witness Expense		6,391	
Social Security		11,215	
Pensions		9,588	
Employee and Dependent Insurance		35,903	
Unemployment Compensation		168	
Employer Medicare		2,623	
Dues and Memberships		688	
Maintenance Agreements		17,724	
Printing, Stationery, and Forms		1,786	
Other Supplies and Materials		3,193	
Workers' Compensation Insurance		500	
Data Processing Equipment		2,644	
Total Circuit Court			284,785

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	109,123	
Social Security		6,310	
Pensions		5,456	
Employee and Dependent Insurance		17,621	
Employer Medicare		1,476	
Dues and Memberships		587	
Legal Services		744	
Travel		373	
Building and Contents Insurance		2,200	
Liability Insurance		2,200	
Workers' Compensation Insurance		200	
Total General Sessions Court			\$ 146,290

Chancery Court

County Official/Administrative Officer	\$	86,716	
Deputy(ies)		54,808	
Bonus Payments		2,720	
Social Security		8,030	
Pensions		7,212	
Employee and Dependent Insurance		41,976	
Unemployment Compensation		77	
Employer Medicare		1,878	
Data Processing Services		13,755	
Dues and Memberships		688	
Legal Notices, Recording, and Court Costs		5,066	
Printing, Stationery, and Forms		1,597	
Workers' Compensation Insurance		350	
Data Processing Equipment		182	
Total Chancery Court			225,055

Juvenile Court

Assistant(s)	\$	18,247	
Youth Service Officer(s)		32,273	
Bonus Payments		2,607	
Social Security		2,925	
Pensions		2,594	
Employee and Dependent Insurance		6,800	
Unemployment Compensation		76	
Employer Medicare		684	
Contracts with Government Agencies		240	
Travel		467	
Other Supplies and Materials		811	
Workers' Compensation Insurance		200	
Other Charges		2,646	
Data Processing Equipment		241	
Total Juvenile Court			70,811

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services

Other Contracted Services	\$	44,046	
Refunds		<u>1,400</u>	
Total Probation Services			\$ 45,446

Public Safety

Sheriff's Department

County Official/ Administrative Officer	\$	95,388	
Deputy(ies)		729,533	
Investigator(s)		145,960	
Salary Supplements		17,600	
Dispatchers/Radio Operators		61,949	
School Resource Officer		198,850	
Overtime Pay		54,205	
Bonus Payments		31,733	
Other Salaries and Wages		91,751	
In-service Training		16,776	
Social Security		82,959	
Pensions		70,383	
Employee and Dependent Insurance		293,989	
Unemployment Compensation		1,052	
Employer Medicare		19,402	
Communication		438	
Dues and Memberships		400	
Evaluation and Testing		1,200	
Licenses		4,023	
Maintenance Agreements		4,850	
Maintenance and Repair Services - Equipment		2,000	
Maintenance and Repair Services - Vehicles		40,683	
Printing, Stationery, and Forms		1,000	
Travel		204	
Gasoline		112,394	
Law Enforcement Supplies		23,784	
Office Supplies		965	
Tires and Tubes		12,358	
Uniforms		4,247	
Other Supplies and Materials		7,514	
Building and Contents Insurance		20,500	
Liability Insurance		72,500	
Vehicle and Equipment Insurance		24,000	
Workers' Compensation Insurance		53,048	
Other Charges		18,023	
Data Processing Equipment		2,680	
Motor Vehicles		<u>51,610</u>	
Total Sheriff's Department			2,369,951

Correctional Incentive Program Improvements

Supervisor/Director	\$	51,388	
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(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements (Cont.)

Dispatchers/Radio Operators	\$ 307,218	
Guards	982,198	
Maintenance Personnel	36,693	
Overtime Pay	168,055	
Bonus Payments	46,753	
In-service Training	264	
Social Security	92,627	
Pensions	76,695	
Employee and Dependent Insurance	301,195	
Unemployment Compensation	1,644	
Employer Medicare	21,663	
Evaluation and Testing	1,000	
Maintenance Agreements	48,015	
Maintenance and Repair Services - Buildings	8,312	
Maintenance and Repair Services - Equipment	17,956	
Medical and Dental Services	247,929	
Postal Charges	204	
Travel	466	
Other Contracted Services	40,000	
Custodial Supplies	29,680	
Food Supplies	307,537	
Instructional Supplies and Materials	40,726	
Law Enforcement Supplies	15,787	
Prisoners Clothing	5,105	
Uniforms	3,254	
Utilities	199,660	
Other Supplies and Materials	114,183	
Workers' Compensation Insurance	43,000	
Other Charges	14,682	
Building Construction	109,550	
Furniture and Fixtures	287,962	
Motor Vehicles	54,097	
Total Correctional Incentive Program Improvements	3,675,498	\$ 3,675,498

Civil Defense

In-service Training	\$ 4,784	
Communication	2,229	
Maintenance and Repair Services - Equipment	7,446	
Maintenance and Repair Services - Vehicles	27,313	
Pest Control	540	
Gasoline	5,938	
Office Supplies	424	
Utilities	4,002	
Other Supplies and Materials	2,285	
Building and Contents Insurance	7,500	
Vehicle and Equipment Insurance	8,500	
Communication Equipment	1,300	
Other Equipment	27,703	
Total Civil Defense	99,964	99,964

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

In-service Training	\$	812	
Data Processing Services		2,170	
Dues and Memberships		200	
Maintenance Agreements		100	
Maintenance and Repair Services - Equipment		3,324	
Maintenance and Repair Services - Vehicles		16,463	
Data Processing Supplies		741	
Gasoline		10,619	
Instructional Supplies and Materials		2,998	
Office Supplies		1,885	
Utilities		14,721	
Other Supplies and Materials		8,506	
Building and Contents Insurance		7,500	
Vehicle and Equipment Insurance		14,000	
Other Equipment		53,334	
Total Rescue Squad			\$ 137,373

Other Emergency Management

County Official/Administrative Officer	\$	5,281	
Bonus Payments		680	
Social Security		370	
Employer Medicare		86	
Communication		2,461	
Maintenance and Repair Services - Equipment		1,494	
Maintenance and Repair Services - Vehicles		1,504	
Other Supplies and Materials		957	
Workers' Compensation Insurance		400	
Total Other Emergency Management			13,233

Public Health and Welfare

Local Health Center

Contracts with Government Agencies	\$	44,000	
Other Supplies and Materials		9,602	
Other Charges		3,359	
Total Local Health Center			56,961

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	900,000	
Total Ambulance/Emergency Medical Services			900,000

Crippled Children Services

Contributions	\$	559	
Total Crippled Children Services			559

Other Local Health Services

Attendants	\$	13,227	
Bonus Payments		453	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Social Security	\$	925	
Pensions		62	
Unemployment Compensation		49	
Employer Medicare		216	
Travel		3,854	
Workers' Compensation Insurance		500	
Total Other Local Health Services			\$ 19,286

Sanitation Education/Information

Supervisor/Director	\$	30,555	
Bonus Payments		1,360	
Social Security		1,845	
Pensions		1,596	
Employee and Dependent Insurance		6,735	
Unemployment Compensation		35	
Employer Medicare		431	
Maintenance and Repair Services - Vehicles		1,877	
Gasoline		1,560	
Instructional Supplies and Materials		10,248	
Other Supplies and Materials		1,006	
Workers' Compensation Insurance		800	
Total Sanitation Education/Information			58,048

Other Public Health and Welfare

Assistant(s)	\$	113,410	
Social Security		6,397	
Pensions		5,670	
Employee and Dependent Insurance		27,101	
Unemployment Compensation		142	
Employer Medicare		1,496	
Travel		1,332	
Workers' Compensation Insurance		2,000	
Total Other Public Health and Welfare			157,548

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	7,390	
Bonus Payments		680	
Other Salaries and Wages		11,005	
Social Security		1,183	
Unemployment Compensation		25	
Employer Medicare		277	
Other Contracted Services		2,305	
Other Supplies and Materials		751	
Workers' Compensation Insurance		200	
Total Senior Citizens Assistance			23,816

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Assistant(s)	\$ 52,054	
Supervisor/Director	32,273	
Bonus Payments	5,555	
In-service Training	722	
Social Security	5,194	
Pensions	1,682	
Employee and Dependent Insurance	17,621	
Unemployment Compensation	276	
Employer Medicare	1,215	
Rentals	9,000	
Travel	3,331	
Custodial Supplies	80	
Instructional Supplies and Materials	7,327	
Library Books/Media	8,058	
Other Supplies and Materials	8,562	
Workers' Compensation Insurance	505	
Data Processing Equipment	1,539	
Total Libraries	\$ 154,994	\$ 154,994

Other Social, Cultural, and Recreational

Other Charges	\$ 8,488	
Total Other Social, Cultural, and Recreational	8,488	8,488

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$ 16,621	
Supervisor/Director	27,515	
Secretary(ies)	8,033	
Bonus Payments	1,700	
Social Security	3,991	
Pensions	8,594	
Employee and Dependent Insurance	7,227	
Unemployment Compensation	60	
Employer Medicare	25	
Dues and Memberships	530	
Travel	1,000	
Other Contracted Services	2,999	
Other Supplies and Materials	7,278	
Other Charges	2,595	
Total Agricultural Extension Service	88,168	88,168

Soil Conservation

Secretary(ies)	\$ 19,000	
Social Security	1,454	
Unemployment Compensation	28	
Dues and Memberships	420	
Instructional Supplies and Materials	800	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Office Supplies	\$	1,083	
Premiums on Corporate Surety Bonds		<u>200</u>	
Total Soil Conservation			\$ 22,985

Other Operations

Other Economic and Community Development

Contracts with Government Agencies	\$	15,125	
Contracts with Other Public Agencies		<u>4,684</u>	
Total Other Economic and Community Development			19,809

Airport

Maintenance and Repair Services - Equipment	\$	1,876	
Airport Improvement		<u>127,121</u>	
Total Airport			128,997

Veterans' Services

Supervisor/Director	\$	26,894	
Bonus Payments		1,360	
Social Security		1,752	
Pensions		1,413	
Unemployment Compensation		35	
Employer Medicare		410	
Travel		751	
Office Supplies		229	
Workers' Compensation Insurance		200	
Data Processing Equipment		<u>449</u>	
Total Veterans' Services			33,493

Other Charges

Trustee's Commission	\$	<u>142,602</u>	
Total Other Charges			142,602

Contributions to Other Agencies

Remittance of Revenue Collected	\$	<u>103,788</u>	
Total Contributions to Other Agencies			<u>103,788</u>

Total General Fund \$ 11,195,995

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Contracts with Private Agencies	\$	<u>599,692</u>	
Total Sanitation Management			\$ 599,692

Convenience Centers

Supervisor/Director	\$	53,789	
Attendants		81,134	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Bonus Payments	\$	7,763	
Social Security		8,366	
Pensions		2,825	
Unemployment Compensation		433	
Employer Medicare		1,956	
Maintenance and Repair Services - Equipment		10,842	
Disposal Fees		5,690	
Other Contracted Services		889	
Other Supplies and Materials		62	
Total Convenience Centers			\$ 173,749

Other Operations

Other Charges

Trustee's Commission	\$	16,283	
Total Other Charges			16,283

Total Solid Waste/Sanitation Fund \$ 789,724

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	7,335	
Pensions		367	
Communication		1,087	
Maintenance Agreements		1,922	
Travel		4,203	
Other Supplies and Materials		13,521	
Total Drug Enforcement			\$ 28,435

Other Operations

Other Charges

Trustee's Commission	\$	583	
Total Other Charges			583

Employee Benefits

Social Security	\$	455	
Employer Medicare		106	
Total Employee Benefits			561

Total Drug Control Fund 29,579

Other Special Revenue Fund

Other Operations

American Rescue Plan Act Grant #6

Maintenance and Repair Services - Buildings	\$	108,890	
Total American Rescue Plan Act Grant #6			\$ 108,890

Total Other Special Revenue Fund 108,890

(Continued)

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 230	
Total County Trustee's Office		\$ 230

Total Constitutional Officers - Fees Fund \$ 230

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 95,388	
Accountants/Bookkeepers	51,698	
Clerical Personnel	34,110	
Bonus Payments	458	
Social Security	11,077	
Employee and Dependent Insurance	1,233	
Employer Medicare	2,591	
Communication	19,826	
Data Processing Services	45,126	
Dues and Memberships	4,297	
Legal Services	800	
Legal Notices, Recording, and Court Costs	413	
Postal Charges	836	
Rentals	115	
Travel	4,850	
Other Contracted Services	18,367	
Drugs and Medical Supplies	681	
Office Supplies	11,149	
Uniforms	1,662	
Other Charges	1,273	
Total Administration		\$ 305,950

Highway and Bridge Maintenance

Foremen	\$ 165,532
Equipment Operators - Heavy	72,076
Equipment Operators - Light	132,589
Truck Drivers	90,158
Laborers	322,020
Overtime Pay	22,111
Bonus Payments	8,042
Social Security	47,041
Employee and Dependent Insurance	12,972
Employer Medicare	11,002
Contracts with Private Agencies	13,153
Asphalt - Hot Mix	69,760
Asphalt - Liquid	126,098
Crushed Stone	199,879
Food Supplies	843
Pipe	56,191

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Road Signs	\$	20,080	
Wood Products		127	
Other Supplies and Materials		2,926	
Total Highway and Bridge Maintenance			\$ 1,372,600

Operation and Maintenance of Equipment

Mechanic(s)	\$	59,982	
Laborers		25,642	
Overtime Pay		2,653	
Bonus Payments		1,167	
Social Security		5,322	
Employer Medicare		1,245	
Maintenance and Repair Services - Equipment		76,796	
Rentals		4,580	
Towing Services		489	
Diesel Fuel		199,727	
Equipment and Machinery Parts		114,756	
Garage Supplies		16,617	
Gasoline		184,602	
Lubricants		5,810	
Small Tools		4,736	
Tires and Tubes		14,082	
Total Operation and Maintenance of Equipment			718,206

Other Charges

Electricity	\$	9,854	
Water and Sewer		1,688	
Liability Insurance		6,733	
Trustee's Commission		23,909	
Vehicle and Equipment Insurance		60,000	
Total Other Charges			102,184

Employee Benefits

Pensions	\$	53,077	
Employee and Dependent Insurance		245,436	
Workers' Compensation Insurance		101,184	
Total Employee Benefits			399,697

Capital Outlay

Building Improvements	\$	19,376	
Highway Construction		1,442,188	
Highway Equipment		152,567	
Motor Vehicles		172,830	
State Aid Projects		135	
Total Capital Outlay			1,787,096

Total Highway/Public Works Fund \$ 4,685,733

(Continued)

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

General Debt Service Fund		
Principal on Debt		
General Government		
Principal on Other Loans	<u>\$ 582,750</u>	
Total General Government		\$ 582,750
Highways and Streets		
Principal on Notes	<u>\$ 145,000</u>	
Total Highways and Streets		145,000
Education		
Principal on Other Loans	<u>\$ 1,531,347</u>	
Total Education		1,531,347
Interest on Debt		
General Government		
Interest on Other Loans	<u>\$ 52,568</u>	
Total General Government		52,568
Highways and Streets		
Interest on Notes	<u>\$ 8,299</u>	
Total Highways and Streets		8,299
Education		
Interest on Other Loans	<u>\$ 137,890</u>	
Total Education		137,890
Other Debt Service		
General Government		
Trustee's Commission	\$ 24,467	
Other Debt Service	<u>5,225</u>	
Total General Government		29,692
Education		
Other Debt Service	<u>\$ 8,766</u>	
Total Education		<u>8,766</u>
Total General Debt Service Fund		\$ 2,496,312
General Capital Projects Fund		
Other Operations		
Airport		
Airport Improvement	<u>\$ 34,935</u>	
Total Airport		\$ 34,935
Other Charges		
Trustee's Commission	<u>\$ 100</u>	
Total Other Charges		<u>100</u>
Total General Capital Projects Fund		35,035

(Continued)

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

Education Capital Projects Fund		
Capital Projects - Donated		
Capital Projects Donated to School Department		
Contributions	<u>\$ 364,000</u>	
Total Capital Projects Donated to School Department		<u>\$ 364,000</u>
Total Education Capital Projects Fund		\$ 364,000
Other Capital Projects		
Public Safety		
Sheriff's Department		
Motor Vehicles	<u>\$ 116,380</u>	
Total Sheriff's Department		\$ 116,380
Other Operations		
Other Charges		
Trustee's Commission	<u>\$ 1,259</u>	
Total Other Charges		<u>1,259</u>
Total Other Capital Projects		<u>117,639</u>
Total Governmental Funds - Primary Government		<u><u>\$ 19,823,137</u></u>

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	6,860,693	
Career Ladder Program		9,100	
Homebound Teachers		372	
Educational Assistants		130,291	
Bonus Payments		16,000	
Other Salaries and Wages		199,787	
Certified Substitute Teachers		7,312	
Non-certified Substitute Teachers		120,825	
Social Security		423,081	
Pensions		496,474	
Life Insurance		2,983	
Medical Insurance		1,001,079	
Dental Insurance		51,826	
Unemployment Compensation		940	
Employer Medicare		99,412	
Instructional Supplies and Materials		56,960	
Textbooks - Electronic		25,757	
Textbooks - Bound		169,175	
Other Supplies and Materials		3,271	
TISA - On-behalf Payments		29,433	
Other Charges		31,284	
Regular Instruction Equipment		168,488	
Total Regular Instruction Program			\$ 9,904,543

Alternative Instruction Program

Teachers	\$	54,771	
Educational Assistants		34,990	
Non-certified Substitute Teachers		1,575	
Social Security		5,531	
Pensions		6,622	
Life Insurance		70	
Medical Insurance		23,027	
Dental Insurance		455	
Employer Medicare		1,294	
Other Supplies and Materials		511	
Total Alternative Instruction Program			128,846

Special Education Program

Teachers	\$	724,966	
Career Ladder Program		1,000	
Homebound Teachers		29,766	
Educational Assistants		186,513	
Bonus Payments		1,000	
Non-certified Substitute Teachers		14,100	
Social Security		55,878	
Pensions		62,615	

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$ 498	
Medical Insurance	173,323	
Dental Insurance	5,463	
Employer Medicare	13,099	
Instructional Supplies and Materials	10,508	
Other Supplies and Materials	159	
TISA - On-behalf Payments	14,475	
Other Charges	<u>805</u>	
Total Special Education Program		\$ 1,294,168

Career and Technical Education Program

Teachers	\$ 763,726	
Career Ladder Program	1,550	
Guidance Personnel	51,728	
Bonus Payments	5,000	
Other Salaries and Wages	90,649	
Non-certified Substitute Teachers	18,675	
Social Security	50,890	
Pensions	63,275	
Life Insurance	325	
Medical Insurance	117,192	
Dental Insurance	6,372	
Employer Medicare	12,388	
Tuition	29,745	
Other Contracted Services	4,634	
Instructional Supplies and Materials	77,427	
Software	4,199	
Other Supplies and Materials	9,726	
Other Charges	6,603	
Vocational Instruction Equipment	<u>58,172</u>	
Total Career and Technical Education Program		1,372,276

Support Services

Attendance

Supervisor/Director	\$ 51,717	
Career Ladder Program	500	
Employer Medicare	752	
In Service/Staff Development	<u>2,340</u>	
Total Attendance		55,309

Health Services

Supervisor/Director	\$ 63,140
Medical Personnel	181,242
Clerical Personnel	36,040
Other Salaries and Wages	375
Social Security	12,077

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Pensions	\$	10,864	
Life Insurance		142	
Medical Insurance		48,795	
Employer Medicare		3,740	
Travel		6,014	
Other Contracted Services		8,485	
Drugs and Medical Supplies		21	
Other Supplies and Materials		1,846	
In Service/Staff Development		4,911	
Total Health Services			\$ 377,692

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		363,234	
Psychological Personnel		8,960	
Social Workers		13,063	
Bonus Payments		500	
Other Salaries and Wages		131,239	
Non-certified Substitute Teachers		525	
Social Security		30,475	
Pensions		37,797	
Life Insurance		218	
Medical Insurance		64,954	
Dental Insurance		3,978	
Employer Medicare		7,159	
Evaluation and Testing		13,194	
Travel		162	
Other Contracted Services		50,491	
Other Supplies and Materials		170,930	
In Service/Staff Development		42,357	
Other Charges		52,935	
Regular Instruction Equipment		56,826	
Total Other Student Support			1,049,997

Regular Instruction Program

Supervisor/Director	\$	302,481	
Career Ladder Program		1,750	
Librarians		128,323	
Other Salaries and Wages		5,116	
Certified Substitute Teachers		112	
Non-certified Substitute Teachers		3,150	
Social Security		25,868	
Pensions		27,860	
Life Insurance		162	
Medical Insurance		67,651	
Dental Insurance		1,910	

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	6,056	
Travel		4,288	
Other Supplies and Materials		200	
In Service/Staff Development		10,478	
Other Charges		15,463	
Total Regular Instruction Program			\$ 600,868

Special Education Program

Supervisor/Director	\$	46,112	
Career Ladder Program		500	
Psychological Personnel		103,770	
Other Salaries and Wages		56,193	
Social Security		10,067	
Pensions		10,691	
Life Insurance		60	
Medical Insurance		17,460	
Dental Insurance		1,137	
Employer Medicare		2,941	
Travel		7,955	
In Service/Staff Development		500	
Total Special Education Program			257,386

Career and Technical Education Program

Supervisor/Director	\$	46,902	
Other Salaries and Wages		6,475	
Social Security		3,069	
Pensions		3,518	
Life Insurance		12	
Medical Insurance		4,810	
Dental Insurance		227	
Employer Medicare		718	
Total Career and Technical Education Program			65,731

Technology

Computer Programmer(s)	\$	58,967	
Instructional Computer Personnel		96,508	
Other Salaries and Wages		1,480	
Social Security		8,501	
Pensions		9,787	
Life Insurance		55	
Medical Insurance		27,612	
Dental Insurance		1,505	
Employer Medicare		1,988	
Internet Connectivity		567,339	
Travel		3,416	
Other Contracted Services		77,085	

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Other Supplies and Materials	\$	600	
Other Equipment		69,637	
Total Technology			\$ 924,480

Other Programs

On-behalf Payments to OPEB	\$	57,902	
Total Other Programs			57,902

Board of Education

Secretary to Board	\$	1,500	
Board and Committee Members Fees		12,050	
Social Security		840	
Pensions		75	
Employer Medicare		197	
Other Fringe Benefits		52,621	
Audit Services		19,266	
Dues and Memberships		12,133	
Legal Services		19,500	
Travel		233	
Other Contracted Services		1,439	
Liability Insurance		62,168	
Premiums on Corporate Surety Bonds		2,690	
Trustee's Commission		248,374	
Workers' Compensation Insurance		181,211	
Other Charges		1,972	
Total Board of Education			616,269

Director of Schools

County Official/Administrative Officer	\$	120,010	
Career Ladder Program		700	
Secretary(ies)		32,054	
Other Salaries and Wages		5,000	
Social Security		9,890	
Pensions		10,777	
Life Insurance		46	
Medical Insurance		15,925	
Dental Insurance		455	
Employer Medicare		2,313	
Other Fringe Benefits		9,000	
Communication		100,588	
Postal Charges		3,308	
Travel		503	
Other Contracted Services		19,202	
Other Supplies and Materials		2,358	
In Service/Staff Development		4,209	
Total Director of Schools			336,338

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	611,757	
Accountants/Bookkeepers		133,450	
Assistant Principals		161,082	
Clerical Personnel		105,436	
Bonus Payments		500	
Other Salaries and Wages		15,404	
Social Security		60,139	
Pensions		62,380	
Life Insurance		467	
Medical Insurance		177,882	
Dental Insurance		4,002	
Employer Medicare		14,230	
Travel		4,903	
Total Office of the Principal			\$ 1,351,632

Fiscal Services

Supervisor/Director	\$	58,283	
Clerical Personnel		105,591	
Social Security		8,509	
Pensions		8,012	
Life Insurance		74	
Medical Insurance		25,796	
Employer Medicare		2,054	
Data Processing Services		63,056	
Office Supplies		9,646	
Total Fiscal Services			281,021

Operation of Plant

Supervisor/Director	\$	38,140	
Custodial Personnel		405,317	
Other Salaries and Wages		16,322	
Social Security		25,816	
Pensions		16,387	
Life Insurance		403	
Medical Insurance		142,441	
Employer Medicare		6,534	
Other Contracted Services		231,501	
Custodial Supplies		56,688	
Electricity		539,492	
Fuel Oil		45,371	
Natural Gas		195	
Water and Sewer		136,089	
Other Supplies and Materials		65,639	
Boiler Insurance		3,409	
Building and Contents Insurance		166,808	
Other Charges		2,565	

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Maintenance Equipment	\$ 1,500	
Plant Operation Equipment	93,953	
Total Operation of Plant		\$ 1,994,570

Maintenance of Plant

Maintenance Personnel	\$ 143,755	
Social Security	8,755	
Pensions	7,188	
Life Insurance	85	
Medical Insurance	40,811	
Employer Medicare	2,048	
Administration Equipment	96,200	
Total Maintenance of Plant		298,842

Transportation

Supervisor/Director	\$ 23,079	
Mechanic(s)	75,748	
Bus Drivers	573,121	
Other Salaries and Wages	81,288	
In-service Training	3,275	
Social Security	44,761	
Pensions	31,710	
Life Insurance	227	
Medical Insurance	39,399	
Employer Medicare	10,859	
Medical and Dental Services	5,528	
Other Contracted Services	1,537	
Diesel Fuel	107,581	
Gasoline	42,295	
Tires and Tubes	32,110	
Vehicle Parts	132,812	
Other Supplies and Materials	1,972	
Vehicle and Equipment Insurance	39,012	
Other Charges	7,539	
Debt Service Contribution to Primary Government	309,145	
Transportation Equipment	364,000	
Total Transportation		1,926,998

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 51,339
Clerical Personnel	31,000
Cafeteria Personnel	15,300
Social Security	5,924
Pensions	4,747
Life Insurance	48

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Medical Insurance	\$	29,567	
Employer Medicare		1,385	
Maintenance and Repair Services - Equipment		10,199	
Travel		466	
Food Service Equipment		4,999	
Total Food Service			\$ 154,974

Community Services

Supervisor/Director	\$	14,400	
Clerical Personnel		3,000	
Other Salaries and Wages		297,939	
Social Security		17,760	
Pensions		15,021	
Dental Insurance		455	
Employer Medicare		4,572	
Travel		94	
Instructional Supplies and Materials		8,191	
Other Supplies and Materials		1,422	
In Service/Staff Development		4,434	
Other Charges		5,446	
Total Community Services			372,734

Early Childhood Education

Teachers	\$	306,051	
Educational Assistants		115,508	
Non-certified Substitute Teachers		11,062	
Social Security		24,961	
Pensions		26,597	
Life Insurance		286	
Medical Insurance		81,387	
Dental Insurance		2,729	
Employer Medicare		5,944	
Travel		903	
Instructional Supplies and Materials		8,106	
In Service/Staff Development		4,022	
Other Charges		320	
Total Early Childhood Education			587,876

Capital Outlay

Regular Capital Outlay

Architects	\$	39,500	
Engineering Services		4,000	
Other Charges		3,973	
Building Construction		358,640	
Building Improvements		16,369	
Other Equipment		93,925	
Total Regular Capital Outlay			516,407

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 650,000	
Total Education		\$ 650,000

Total General Purpose School Fund \$ 25,176,859

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 333,268	
Educational Assistants	118,373	
Part-time Personnel	20,192	
Other Salaries and Wages	112,751	
Non-certified Substitute Teachers	12,892	
Social Security	35,469	
Pensions	34,127	
Life Insurance	288	
Medical Insurance	82,778	
Dental Insurance	2,138	
Employer Medicare	8,676	
Other Contracted Services	65,964	
Instructional Supplies and Materials	104,315	
Textbooks - Bound	46,949	
Other Supplies and Materials	232	
Other Charges	35,641	
Regular Instruction Equipment	92,326	
Total Regular Instruction Program		\$ 1,106,379

Special Education Program

Teachers	\$ 115,165	
Educational Assistants	222,997	
Non-certified Substitute Teachers	8,942	
Social Security	22,570	
Pensions	19,525	
Life Insurance	183	
Medical Insurance	82,056	
Dental Insurance	318	
Employer Medicare	5,273	
Maintenance and Repair Services - Equipment	194	
Other Contracted Services	27,545	
Instructional Supplies and Materials	12,399	
Other Supplies and Materials	242	
Total Special Education Program		517,409

Career and Technical Education Program

Instructional Supplies and Materials	\$ 12,099	
Other Supplies and Materials	7,565	
Vocational Instruction Equipment	380,364	
Total Career and Technical Education Program		400,028

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services

Health Services

Other Contracted Services	\$ 181	
Total Health Services		\$ 181

Other Student Support

Social Workers	\$ 29,101	
Other Salaries and Wages	6,132	
Social Security	2,123	
Pensions	2,299	
Life Insurance	2	
Medical Insurance	2,552	
Dental Insurance	91	
Employer Medicare	465	
Travel	11,049	
Other Contracted Services	340	
Other Supplies and Materials	16,632	
In Service/Staff Development	76,985	
Other Charges	2,961	
Total Other Student Support		150,732

Regular Instruction Program

Supervisor/Director	\$ 86,872	
Clerical Personnel	1,724	
Social Security	5,049	
Pensions	6,003	
Life Insurance	24	
Medical Insurance	10,496	
Dental Insurance	455	
Employer Medicare	1,181	
Travel	2,353	
Other Contracted Services	160,619	
Other Supplies and Materials	1,855	
In Service/Staff Development	20,590	
Total Regular Instruction Program		297,221

Special Education Program

Contracts with Private Agencies	\$ 114,718	
Travel	8,047	
Other Supplies and Materials	4,696	
In Service/Staff Development	2,808	
Other Charges	1,362	
Other Equipment	2,811	
Total Special Education Program		134,442

Career and Technical Education Program

In Service/Staff Development	\$ 3,333	
Total Career and Technical Education Program		3,333

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Technology

Instructional Computer Personnel	\$	79,315	
Bonus Payments		5,047	
Social Security		5,069	
Pensions		5,925	
Life Insurance		25	
Medical Insurance		9,103	
Dental Insurance		535	
Employer Medicare		1,185	
Total Technology			\$ 106,204

Director of Schools

Bonus Payments	\$	17,000	
Social Security		1,054	
Pensions		700	
Employer Medicare		246	
Total Director of Schools			19,000

Operation of Plant

Custodial Personnel	\$	20,672	
Social Security		1,226	
Pensions		1,034	
Life Insurance		24	
Medical Insurance		9,089	
Employer Medicare		287	
Custodial Supplies		18,238	
Total Operation of Plant			50,570

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	14,746	
Total Food Service			14,746

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	210,431	
Total Regular Capital Outlay			210,431

Total School Federal Projects Fund \$ 3,010,676

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	441,445	
Social Security		26,140	
Pensions		21,783	
Life Insurance		594	

(Continued)

POLK COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Polk County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Medical Insurance	\$	180,523	
Unemployment Compensation		570	
Employer Medicare		6,114	
Maintenance and Repair Services - Equipment		39,875	
Other Contracted Services		16,079	
Food Supplies		886,348	
USDA - Commodities		108,221	
Other Supplies and Materials		74,939	
In Service/Staff Development		1,321	
Other Charges		986	
Food Service Equipment		21,500	
Total Food Service		<u>1,826,438</u>	\$ 1,826,438

Total Central Cafeteria Fund \$ 1,826,438

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	908,027	
Total Community Services		<u>908,027</u>	\$ 908,027

Total Internal School Fund 908,027

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	4,909	
Total Board of Education		<u>4,909</u>	\$ 4,909

Total Education Capital Projects Fund 4,909

Total Governmental Funds - Polk County School Department \$ 30,926,909

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*

Polk County Executive and
Board of County Commissioners
Polk County, Tennessee

To the County Executive 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 Polk County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Polk County’s basic financial statements as listed in the table of contents, and have issued our report thereon dated February 11, 2025. Our report includes a reference to other auditors who audited the financial statements of Internal School Fund of the Polk County School Department (a discretely presented component unit) as described in our report on Polk 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 Polk County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Polk County’s internal control. Accordingly, we do not express an opinion on the effectiveness of Polk County’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2024-002 and 2024-003.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2024-004(B), 2024-005, 2024-007, and 2024-008.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Polk 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2024-001, 2024-004(A), 2024-006, and 2024-009.

Polk County's Responses to Findings

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

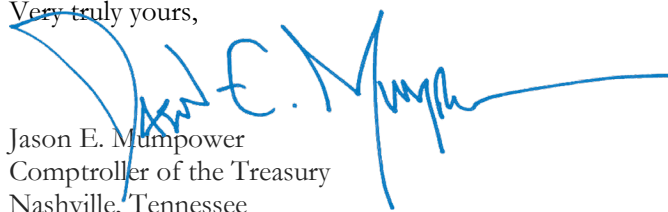
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Polk County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2025

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

Polk County Executive and
Board of County Commissioners
Polk County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Polk 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 Polk County’s major federal programs for the year ended June 30, 2024. Polk 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, Polk 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 Polk 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 Polk 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 Polk 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 Polk 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 Polk 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 Polk 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 Polk 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 Polk 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 Polk County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Polk County's basic financial statements. We issued our report thereon dated February 11, 2025, 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

February 11, 2025

JEM/gc

POLK COUNTY, TENNESSEE, AND THE POLK COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
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: (5)			
School Breakfast Program	10.553	N/A	\$ 312,782
National School Lunch Program	10.555	N/A	850,019 (6)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	16,501
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,256
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	108,221 (6)
Rebate of Storage and Distribution Fees	10.555	(4)	2,153 (6)
Total U.S. Department of Agriculture			<u>\$ 1,292,932</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 255,560
Total U.S. Department of the Interior			<u>\$ 255,560</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(4)	\$ 87,544 (6)
COVID 19 - Airport Improvement Program	20.106	(4)	2,717 (6)
Highway Planning and Construction	20.205	(4)	9,904
Total U.S. Department of Transportation			<u>\$ 100,165</u>
U.S. Department of the Treasury:			
Direct Program:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds(ARP)	21.027	N/A	\$ 2,194,571
Total U.S. Department of the Treasury			<u>\$ 2,194,571</u>
U.S. National Foundation on the Arts and the Humanities:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(4)	\$ 356
Total U.S. National Foundation on the Arts and the Humanities			<u>\$ 356</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 604,537
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	550,018 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027	N/A	10,907 (6)
Special Education - Preschool Grants	84.173	N/A	23,235 (6)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	N/A	13 (6)
Career and Technical Education - Basic Grants to States	84.048	N/A	242,968
Twenty-first Century Community Learning Centers	84.287	N/A	279,836
English Language Acquisition State Grants	84.365	N/A	225
Supporting Effective Instruction State Grants	84.367	N/A	92,777
Student Support and Academic Enrichment Program	84.424	N/A	56,169

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
COVID 19 - Education Stabilization Fund Program - Early Literacy Networks	84.425	N/A	\$ 39,000 (6)
COVID 19 - Education Stabilization Fund Program - Literacy Training Teacher Stipend	84.425B	N/A	6,000 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	222,189 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,177,711 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	29,927 (6)
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	38,445
Passed-through Tennessee Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(4)	199,661
Total U.S. Department of Education			<u>\$ 3,573,618</u>
U.S. Department of Health and Human Services:			
Passed-through Southeast Tennessee Development District:			
Aging Cluster: (5)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 14,938
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	17,210
Passed-through State Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	11,936
Temporary Assistance for Needy Families	93.558	N/A	35,547
Total U.S. Department of Health and Human Services			<u>\$ 79,631</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	(4)	\$ 59,753
Total U.S. Department of Homeland Security			<u>\$ 59,753</u>
Total Expenditures of Federal Grants			<u>\$ 7,556,586</u>
			Contract
			Number
State Grants			
Access and Visitation Grant - State Administrative Office of the Courts	N/A	(4)	\$ 2,646
Courtroom Security Grant - State Administrative Office of the Courts	N/A	(4)	15,787
Targeted Arts Development Initiative Grant - State Arts Commission	N/A	(4)	2,999
Senior Center - State Commission on Aging and Disability	N/A	(4)	8,000
Juvenile Services Program - State Commission on Children and Youth	N/A	(4)	9,000
Training Equipment Grant - State Department of Corrections Institute	N/A	(4)	14,682
Innovative School Models - State Department of Education	N/A	N/A	1,226,348
Lottery for Education After School Programs - State Department of Education	N/A	N/A	60,819
Public School Security Grant - State Department of Education	N/A	N/A	83,250
Safe Schools - State Department of Education	N/A	N/A	5,585
State Special Education Preschool Grant - State Department of Education	N/A	N/A	14,617
Summer Learning Camps - State Department of Education	N/A	N/A	157,222
Summer Learning Camps Transportation - State Department of Education	N/A	N/A	38,635
Voluntary Pre-K for Tennessee - State Department of Education	N/A	N/A	518,529
Youth Risk Behavior Surveillance Systems - State Department of Education	N/A	N/A	1,200

(Continued)

POLK COUNTY, TENNESSEE, AND THE POLK COUNTY SCHOOL DEPARTMENT

Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Contract Number	Expenditures
State Grants (Cont.)			
Evidence Based Programming - State Department of Finance and Administration	N/A	(4)	\$ 267,015
Violent Crime Intervention Fund Grant - State Department of Finance and Administration	N/A	(4)	73,629
Child Safety Seat Grant - State Department of Health	N/A	(4)	3,406
ELC Confinement Securities Grant - State Department of Health	N/A	(4)	342,059
Local Health Services - State Department of Health	N/A	(4)	157,548
Statewide School Resource Officer Grant Program - State Department of Homeland and Security	N/A	(4)	450,000
Litter Program - State Department of Transportation	N/A	(4)	44,197
Training Opportunities for the Public (TOP) Grant - State Secretary of State	N/A	(4)	<u>2,078</u>
Total State Grants			<u>\$ 3,499,251</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) Polk County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) No amounts (\$0) were passed-through to subrecipients.

(4) Information not available.

(5) Child Nutrition Cluster total \$1,273,175; Special Education Cluster total \$584,173; Aging Cluster total \$32,148.

(6) Total for ALN 10.555 is \$960,393; Total for ALN 20.106 is \$90,261; Total for ALN 84.027 is \$560,925;

Total for ALN 84.173 is \$23,248; Total for ALN 84.425 is \$1,474,827.

(7) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Education Agencies	84.010	\$ 112,600
Supporting Effective Instruction State Grants	84.367	950
Student Support and Academic Enrichment Program	84.424	<u>13,841</u>
		<u>\$ 127,391</u>

POLK 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 Polk 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
OFFICES OF COUNTY EXECUTIVE, DIRECTOR OF ACCOUNTS AND BUDGETS, AND HIGHWAY SUPERINTENDENT					
2023	197	2023-001	The director of accounts and budgets did not maintain the accounting records for the highway department.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	198	2023-002	Polk County has a material recurring audit finding.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS					
2023	198	2023-003	General ledger payroll liability accounts were not reconciled.	N/A	Corrected
OFFICE OF HIGHWAY SUPERINTENDENT					
2023	199	2023-004	Funds maintained by the highway department required material audit adjustments for proper financial statement presentation.	N/A	Corrected
OFFICE OF DIRECTOR OF SCHOOLS					
2023	199	2023-004	Funds maintained by the school department required material audit adjustments for proper financial statement presentation.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	200	2023-005	Accounting records for the year ended June 30, 2023, were not closed and available for audit by August 31, 2023, and accounting records for the school department were not maintained on a timely basis.	N/A	Not Corrected - See Explanation on Corrective Action Plan

(Continued)

POLK COUNTY, TENNESSEE

Summary Schedule of Prior-year Findings (Cont.)

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF DIRECTOR OF SCHOOLS (CONT.)					
2023	201	2023-006	The office had deficiencies in the issuance of purchase orders.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	202	2023-007	The office had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	203	2023-008	The office had accounting deficiencies.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS COURT					
2023	204	2023-009	An investigation of the Polk County Circuit Court Clerk revealed several deficiencies.	N/A	N/A
2023	204	2023-010	Investment transactions were not posted to the general ledger.	N/A	Corrected
OFFICE OF SHERIFF					
2023	205	2023-011	Commissary bank statements were not reconciled properly with the general ledger.	N/A	Corrected

Prior-year Federal Award Findings

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

POLK 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 Polk County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **YES**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

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: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
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 EXECUTIVE, DIRECTOR OF ACCOUNTS AND BUDGETS, AND HIGHWAY SUPERINTENDENT

FINDING 2024-001

THE DIRECTOR OF ACCOUNTS AND BUDGETS DID NOT MAINTAIN THE ACCOUNTING RECORDS FOR THE HIGHWAY DEPARTMENT

(Material Noncompliance Under *Government Auditing Standards*)

Polk County operates under the Fiscal Control Acts of 1957, which require the director of accounts and budgets to maintain accounting records for funds administered by the county executive and the highway superintendent. However, the director of accounts and budgets did not maintain the accounting records for the highway department; instead, highway department personnel maintained these accounting records. This deficiency can be attributed to the failure of management to correct the finding noted in prior-year audit reports.

RECOMMENDATION

The director of accounts and budgets should maintain the accounting records of the highway department as required by the Fiscal Control Acts of 1957.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

We concur with this finding.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERINTENDENT

I concur with this finding.

FINDING 2024-002

POLK COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Polk County has a material audit finding that has been reported in its annual financial report for three or more consecutive years. This recurring material finding is listed below:

Finding Numbers	Description
2024-001, 2023-001, 2022-001	The director of accounts and budgets did not maintain the accounting records for the highway department

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. Polk County has established an audit committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

The county executive and highway superintendent should work together with the county commission and the county’s audit committee to address the issues that have kept the county from implementing the 1957 Act and work out a method of implementation to eliminate this weakness in internal control.

MANAGEMENT’S RESPONSE – COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

We concur with this finding.

MANAGEMENT’S RESPONSE – HIGHWAY SUPERINTENDENT

I concur with this finding.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2024-003

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

On June 30, 2024, certain general ledger account balances in the Education Capital Projects Fund were not materially correct, and audit adjustments for receivables totaling \$244,714 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Polk County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county’s financial reporting systems did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. These deficiencies were the result of a lack of management oversight, the failure to correct the finding noted in the prior-year audit report, and the failure to implement management’s corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The school department should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2024-004

ACCOUNTING RECORDS FOR THE YEAR ENDED JUNE 30, 2024, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2024, AND ACCOUNTING RECORDS FOR THE SCHOOL DEPARTMENT WERE NOT MAINTAINED ON A TIMELY BASIS

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

Our audit revealed deficiencies related to the administration and maintenance of the fund accounting records caused by a lack of management oversight and the failure of management to take proper responsibility for the accounting records.

- A. Accounting records were not closed and available for audit by August 31, 2024, as required by Section 9-2-102, *Tennessee Code Annotated*. The accounting records were closed and made available to auditors on December 10, 2024, and the subsidiary capital asset records were made available on January 8, 2025. The failure to properly maintain and close accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely.

- B. Accounting records for the funds administered by the school department were not maintained on a current basis during the year examined. We reviewed audit logs and noted that the monthly accounting records were not closed earlier than three months after month-end during the year examined. Since accounting entries had not been posted currently, accurate monthly and annual financial reports could not be presented to the board of education and county commission to be used as management tools for financial decisions. In February 2025, we noted that that cash with trustee had not been reconciled and monthly accounting records had not been closed since August 2024.

The failure to properly maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control and increases the risk that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

Management should close its accounting records for the fiscal year ended June 30, including applicable subsidiary records, and have those records available for audit by the following August 31. Further, management should maintain all accounting records on a current basis to ensure accurate and reliable financial records are available for making financial decisions.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2024-005

THE OFFICE HAD DEFICIENCIES IN THE ISSUANCE OF PURCHASE ORDERS

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected and reviewed a sample of 45 disbursements totaling \$349,230 from a population of approximately 1,925 vendor checks totaling \$7,641,895. Our sampling revealed that in 11 of 28 applicable instances, purchase orders were not issued properly. In one instance, a purchase order was not issued, and in ten instances, purchase orders were issued after purchases were made. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to issue purchase orders increases the risks of unauthorized purchases. The practice of issuing purchase orders after the purchases are made defeats the purpose of issuing a purchase order and makes it an approval of payment rather than an approval of the purchase. These deficiencies were the result of a lack of management oversight, the failure to correct the finding noted in the prior-year audit report, and the failure to implement management’s corrective action plan.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2024-006

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures, and management failed to provide sufficient oversight. Also, these deficiencies exist because management failed to correct the finding noted in the prior year audit report and failed to implement their corrective action plan.

- A. Salaries exceeded appropriations in four of 86 salary line-items of the General Purpose School Fund and in four of 19 salary line-items of the School Federal Projects Fund by amounts ranging from \$698 to \$5,834. The budget resolution approved by the county commission states that “the salary, wages, or remuneration of each officer, employee, or agent of the county shall not be in excess of the amounts authorized by existing law or as set forth in the estimate of expenditures which accompanies this resolution.” Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.
- B. Several budget amendments were not posted or were posted incorrectly in the General Purpose School and School Federal Projects. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized only those budget amendments approved by the county commission in the financial statements of this report.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission. Budget amendments should be posted to the accounting records only after approval by the county commission.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2024-007

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

The following deficiencies were noted during our examination of the office’s accounting records. These deficiencies exist due to a lack of management oversight and a lack of understanding of internal controls. Also, these deficiencies exist because management failed to correct the finding noted in the prior year audit report and failed to implement their corrective action plan.

- A. We observed 448 general journal entries that were posted to the accounting records for the General Purpose School Fund. Included in these entries were 44 general journal entries that were posted to correct previous journal entries. Sound business practices dictate that financial transactions should be accurately posted in accordance with generally accepted accounting principles. The significant number of general journal entries indicates weaknesses in internal controls related to recording financial transactions.
- B. Our audit revealed deficiencies related to the administration and maintenance of the fund accounting records. Interfund receivable and payable account balances in various school department funds were not reconciled. As a result, at June 30, 2024, a net difference of \$425,315 existed between the various interfund receivables (\$41,766) and payables (\$467,081) in the school department funds. These differences were the result of various posting errors related to the reimbursement of expenditures between the various funds. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

The failure to maintain accounting records accurately and timely diminishes the usefulness of the financial records as a management tool, results in a loss of budgetary and accounting control, and increases the risk that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

Internal controls over the accounting process should be strengthened to correctly identify and accurately post transactions by nature, account, and fund when the transactions are initiated. All general ledger accounts should be reconciled accurately each month with subsidiary records, monthly billings, receipts, and payments, and any errors identified should be corrected promptly.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2024-008

GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED

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

General ledger payroll liability accounts for the General Purpose School and School Federal Projects Funds were not reconciled monthly with payroll records and payments. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll records and payments monthly. The failure to regularly reconcile payroll liability accounts allows errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

Payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 2024-009

AN INVESTIGATION OF THE CIRCUIT AND GENERAL SESSIONS COURTS CLERK DISCLOSED DEFICIENCIES RELATED TO PAYROLL AND DEFICIENCIES RELATED TO A SIGNATURE STAMP NOT BEING PROPERLY SECURED

(Noncompliance Under *Government Auditing Standards*)

An investigation by the Comptroller’s Division of Investigations in conjunction with the Tennessee Bureau of Investigations disclosed significant deficiencies related to improper payments of payroll and compensatory time and the unauthorized use of a signature stamp. Details of the investigation can be found in a report released by the Comptroller’s Division of Investigations 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.

POLK 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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OFFICES OF COUNTY EXECUTIVE

2024-001	The director of accounts and budgets did not maintain the accounting records for the highway department.	200
2024-002	Polk County has a material recurring audit finding.	200

AUDITOR'S COMMENTS ON CORRECTIVE ACTION PLAN

2024-001	The director of accounts and budgets did not maintain the accounting records for the highway department.	202
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OFFICE OF HIGHWAY SUPERINTENDENT

2024-001	The director of accounts and budgets did not maintain the accounting records for the highway department.	203
2024-002	Polk County has a material recurring audit finding.	204

OFFICE OF DIRECTOR OF SCHOOLS

2024-003	Material audit adjustments were required for proper financial statement presentation.	205
2024-004	Accounting records for the year ended June 30, 2024, were not closed and available for audit by August 31, 2024, and accounting records for the school department were not maintained on a timely basis.	205
2024-005	The office had deficiencies in the issuance of purchase orders.	206
2024-006	The office had deficiencies in budget operations.	206
2024-007	The office had accounting deficiencies.	207
2024-008	General ledger payroll liability accounts were not reconciled.	207

Robert M. Hatcher County Executive

Corrective Action Plan

FINDING: 2024-001 **THE DIRECTOR OF ACCOUNTS AND BUDGETS DID NOT MAINTAIN THE ACCOUNTING RECORDS FOR THE HIGHWAY DEPARTMENT**

Response and Corrective Action Plan Prepared by:
Catrice Lowe, Director of Accounts & Budgets

Person Responsible for Implementing the Corrective Action:
Polk County Commission

Anticipated Completion Date of Corrective Action:
2025

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Public Act voted on by the County Commission to revert back to the general purchasing law was never presented to the State for review and approval.

Planned Corrective Action:
The commission approved public act is currently being sponsored by State Representative, Dan Howell, who is having it reviewed by legal counsel.

FINDING: 2024-002 **POLK COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**

Response and Corrective Action Plan Prepared by:
Catrice Lowe, Director of Accounts & Budgets

Person Responsible for Implementing the Corrective Action:
County Commission

Anticipated Completion Date of Corrective Action:
2025

Polk County Government

Tel 423-338-4527
Fax 423-338-4558

P.O. Box 128
6239 Hwy. 411
Benton, TN 37307

Email
roberthatcher06@yahoo.com



Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

No further approval of commission approved public act was gained from the state level.

Planned Corrective Action:

Public Act approved by commission is pending state representative legal review which would then be heard at the TN General assembly of 2025.

Signature:



County Executive

AUDITOR'S COMMENTS ON CORRECTIVE ACTION PLAN

FINDING 2024-001

THE DIRECTOR OF ACCOUNTS AND BUDGETS DID NOT MAINTAIN THE ACCOUNTING RECORDS FOR THE HIGHWAY DEPARTMENT

The county executive, highway superintendent, and director of accounts and budgets all state that the county is requesting the legislature address certain provisions of the Fiscal Control Acts of 1957. However, at the present time, the Polk County Commission has adopted the provisions of these acts, which provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and the highway superintendent.

At present, there are no repeal provisions in the 1957 Acts. In lieu of implementing the 1957 Acts, the county could adopt a private act or the County Financial Management System of 1981, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments, as recommended as a best practice on page 212 of this document.

Polk County Road Department

1887 Welcome Valley Rd
Benton TN 37307

Roy G. Thomason, Jr.
Superintendent

(423)338-4177
(423) 338-4477 fax

Corrective Action Plan

FINDING: 2024-001 THE DIRECTOR OF ACCOUNTS AND BUDGETS DID NOT MAINTAIN THE ACCOUNTING RECORDS FOR THE HIGHWAY DEPARTMENT

Response and Corrective Action Plan Prepared by:

Roy G. Thomason, Jr., Polk County Road Superintendent

Person Responsible for Implementing the Corrective Action:

Polk County Executive/Polk County Commission/Polk County Director of Accounts and Budgets/Roy G. Thomason, Jr., Polk County Road Superintendent

Anticipated Completion Date of Corrective Action:

N/A

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

With no repeal provisions for the 1957 Acts, this finding can only be corrected with the adoption of a private act, or the County Financial Management System of 1981 by the CLB.

Planned Corrective Action:

The Highway Department is in agreement to work with the plan set by the CLB whether it be adoption of a private act; adoption of the County Financial Management System of 1981; or the County Executive, Director of Accounts and Budgets and the Audit Committee developing an agreeable plan and chronological steps for the maintenance of the Highway Department accounting records to be done by the Director of Accounts and Budgets as with the General Fund, the implementation of any of these bringing the department into compliance.

Signature: _____



Road Superintendent

FINDING: 2024-002 POLK COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

Response and Corrective Action Plan Prepared by:

Roy G. Thomason, Jr., Polk County Road Superintendent

Person Responsible for Implementing the Corrective Action:

Roy G. Thomason, Jr., Polk County Road Superintendent

Anticipated Completion Date of Corrective Action:

N/A

Repeat Finding:

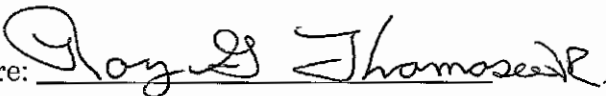
Yes

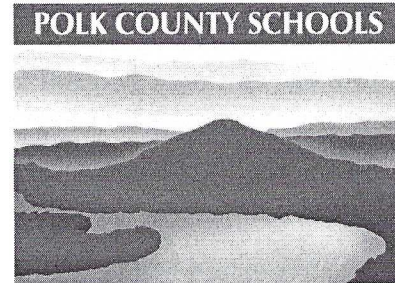
Reason Corrective Action was Not Taken in the Prior Year:

The material recurring finding to be corrected with the adoption of a private act or the County Financial Management System of 1981 by the CLB.

Planned Corrective Action:

The Highway Department is in agreement to work with the plan set by the CLB whether it be adoption of a private act; adoption of the County Financial Management System of 1981; or the County Executive, Director of Accounts and Budgets and the Audit Committee developing an agreeable plan and chronological steps for the maintenance of the Highway Department accounting records to be under the guidance and approved by the Director of Accounts and Budgets as with the General Fund, the implementation of any of these bringing the department into compliance.

Signature: 
Road Superintendent



Corrective Action Plan

FINDING: 2024-001 MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

Response and Corrective Action Plan Prepared by:

Treva Hyatt, Finance Director

Person Responsible for Implementing Corrective Action:

Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:

March 30, 2025

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

In the prior year, it was my understanding that the trustee would prorate and put in appropriate funds, instead of BOE writing a check from 141 to 177.

Planned Corrective Action:

The Polk County Board of Education will write a check from 141 to 177 in the amount of \$244,714.

FINDING: 2024-002 ACCOUNTING RECORDS FOR THE YEAR ENDED, JUNE 30, 2024, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2024, AND ACCOUNTING RECORDS FOR THE SCHOOL DEPARTMENT WERE NOT MAINTAINED ON A TIMELY BASIS

Response and Corrective Action Plan Prepared by:

Treva Hyatt, Finance Director

Person Responsible for Implementing Corrective Action:

Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:

August 31, 2025

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Although, parts of federal bookkeeping were relieved from Finance Director, more help is needed to comply with Section 9-2-102, Tennessee Code Annotated.

Planned Corrective Action:

Polk BOE has employed an extra person to help with the added responsibilities to maintain and close accounting records on a current basis. This help will give relief for balancing with the Trustee, maintaining accurate monthly and annual financial reports. These reports can be presented to the Board of Education and County Commission in a timely manner.

FINDING: 2024-003 THE OFFICE HAD DEFICIENCIES IN THE ISSUANCE OF PURCHASE ORDERS

Response and Corrective Action Plan Prepared by:

Treva Hyatt, Finance Director

Person Responsible for Implementing Corrective Action:

Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:

June 30, 2025

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Purchase Order Process has been diligently worked on during the past 6 months. However, more is needed to streamline the process in all the school system.

Planned Corrective Action:

BOE purchased an online system that most employees have been trained in and are now using daily. Our goal is for all purchase orders to route in this system. Thus, removing all errors of the purchasing process.

FINDING: 2024-004 THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:

Treva Hyatt, Finance Director

Person Responsible for Implementing Corrective Action:

Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:

June 30, 2025

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Although the budget process has deficiencies, most system wide supervisors and directors are now aware of the importance of budget amendments needing to be added before June.

Planned Corrective Action:

Communication with the directors and supervisors, to have all amendments in eplan and on the board packet before the last meeting in June. Also, federal purchase orders will have a cutoff date of May 15 and General Fund purchase orders will have a cutoff date June 10.

FINDING: 2024-005 THE OFFICE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:

Treva Hyatt, Finance Director

Person Responsible for Implementing Corrective Action:

Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:

June 30, 2026

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

The newly hired staff is in training and not enough time has lapsed to be as accurate as needed. The Payroll Clerk retired; an in-office employee replaced her, stepping up from a small cafeteria payroll to a large general fund payroll. During this learning curve, journal entries were needed when expenditures were not posted accurately. I have tried to make Journal entries to the best of my knowledge. With this said, knowledge must consist of prior reports to know where the first Journal Entry was made.

Planned Corrective Action:

The computer software Local Government Corporation has been contacted, and we have asked to be trained in streamlining payroll and cost centers that will eliminate a plethora of JE to the benefits each month. All accounts payable and receivables will have a zero balance June 30th. When an error is found, reports should be obtained, and correct amounts should be confirmed before posting Journal Entries. This will eliminate double or backward Journal Entries.

FINDING: 2024-006 GENERAL LEDFER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED.

Response and Corrective Action Plan Prepared by:

Treva Hyatt, Finance Director

Person Responsible for Implementing Corrective Action:

Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:

June 30, 2026

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:


During this fiscal year, liability/benefit payments began the process of being paid online. This began to be a more efficient way of distributing the benefit payments to the vendors in a timelier fashion. As the months went by,

obviously this was not the case, and the process was stopped and checks continued as in the past. The newly hired staff is in training and not enough time has lapsed to be as accurate as needed. The Payroll Clerk retired; an in-office employee replaced her, stepping up from a small cafeteria payroll to a large general fund payroll. During this learning curve, journal entries were needed when expenditures were not posted accurately. The newly hired person did not have ample time to learn this process of clearing liability accounts.

Planned Corrective Action:

The computer software Local Government Corporation has been contacted, and we have asked to be trained in streamlining payroll and cost centers that will eliminate a plethora of JE to the benefits each month. No online payments to benefit vendors will be used. The new employee is still in training and feels this will be cleaner in the coming year end close. All accounts payable and receivables will have a zero balance June 30th.

Signature: _____

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be the name of the Director of Schools.

Director of Schools

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 Polk County.

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

Polk County does not have a central system of accounting, budgeting, and purchasing for all departments. Polk County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and highway superintendent but exclude the school department. However, funds under the supervision of the highway superintendent were maintained by employees of the highway department. 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 Polk 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.