



## ANNUAL FINANCIAL REPORT

**Sequatchie County, Tennessee**

*For the Year Ended June 30, 2024*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**SEQUATCHIE 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](http://www.comptroller.tn.gov).

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# Summary of Audit Findings

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

## *Scope*

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

## *Results*

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

Our audit resulted in five findings and recommendations, which we have reviewed with Sequatchie 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:

### **OFFICE OF COUNTY EXECUTIVE**

- ◆ The office had deficiencies in budget operations.
- ◆ The county did not comply with state statutes when entering a lease-purchase agreement for vehicles.

### **OFFICE OF HIGHWAY SUPERVISOR**

- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.

### **OFFICE OF COUNTY CLERK**

- ◆ The clerk did not properly record detailed budget information in the minutes of the county commission.
- ◆ The office did not review its software audit logs.



## INTRODUCTORY SECTION

## **SEQUATCHIE COUNTY OFFICIALS**

June 30, 2024

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### **Officials**

Keith Cartwright, County Executive  
Eric Higgins, Highway Supervisor  
Sarah Pierce, Director of Schools  
Larry Lockhart, Trustee  
James Condra, Assessor of Property  
Charlotte Cagle, County Clerk  
Karen Millsaps, Circuit and General Sessions Courts Clerk  
Jared Smith, Clerk and Master  
Kendra Boyd, Register of Deeds  
Bill Phillips, Sheriff

### **Board of County Commissioners**

|  |                |
|--|----------------|
| Keith Cartwright, County Executive, Chairman |                |
| Jeff Barger                                  | Jeff Mackey    |
| Susie Bostic                                 | Ed Nunley      |
| James Breland                                | Paul Powell    |
| Wayne Clemonns                               | Brian Ruehling |
| June Dishman                                 | Chester Shell  |
| Joyce Dotson                                 | Frank Silver   |
| Michael Hudson                               | Tom Vennero    |
| Tommy Johnson                                | Bryan Walker   |
| Blaine Layne                                 | Gary Williams  |

### **Board of Education**

|                      |                 |
|----------------------|-----------------|
| Sam Hudson, Chairman |                 |
| Debbie Adams         | Rachel Hixson   |
| Marlene Basham       | Gregory Johnson |
| Gregory Dawson       | Jo Ann Shepherd |
| Shelli Dodson        | Felisha Snyder  |

### **Audit Committee**

Tom Vennero, Chairman  
Sherry Johnson  
Winston Pickett  
Lynn Roberts

## FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

### Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sequatchie County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sequatchie 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 General Government, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Sequatchie County School Department (a discretely presented component unit) which represent .87 percent, .9 percent, and 2.67 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2024. 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 Sequatchie County School Department's Internal School Fund, is based solely on the report of the other auditors.

##### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sequatchie 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., Sequatchie 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 these 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 Sequatchie 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 Sequatchie 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 Sequatchie County's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in total OPEB liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sequatchie County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Sequatchie 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, combining and individual fund financial statements of the Sequatchie 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 January 27, 2025, on our consideration of Sequatchie 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 Sequatchie 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 Sequatchie County's internal control over financial reporting and compliance.

Very truly yours,  
  
Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

January 27, 2025

JEM/gc

## **BASIC FINANCIAL STATEMENTS SECTION**

Exhibit A

**SEQUATCHIE COUNTY, TENNESSEE**

**Statement of Net Position**

**June 30, 2024**

|   | Primary<br>Government | Governmental<br>Activities | Component<br>Unit |
|---|-----------------------|----------------------------|-------------------|
|   | Sequatchie<br>County  | School                     | Department        |
| <b>ASSETS</b>   |                       |                            |                   |
|   |                       |                            |                   |
| Cash  | \$ 1,474              | \$ 557,784                 |                   |
| Equity in Pooled Cash and Investments                   | 5,125,704             | 21,667,232                 |                   |
| Accounts Receivable                                     | 12,607                | 6,383                      |                   |
| Due from Other Governments                              | 1,117,584             | 1,722,165                  |                   |
| Property Taxes Receivable                               | 7,781,090             | 2,912,140                  |                   |
| Allowance for Uncollectible Property Taxes              | (338,287)             | (127,180)                  |                   |
| Net Pension Asset - Teacher Retirement Plan             | 0                     | 74,575                     |                   |
| Net Pension Asset - Teacher Legacy Pension Plan         | 0                     | 2,442,572                  |                   |
| Restricted Assets:                                      |                       |                            |                   |
| Amounts Accumulated for Pension Benefits                | 0                     | 299,711                    |                   |
| Capital Assets:   |                       |                            |                   |
| Assets Not Depreciated:                                 |                       |                            |                   |
| Land  | 1,319,256             | 1,256,649                  |                   |
| Construction in Progress                                | 0                     | 6,010,753                  |                   |
| Assets Net of Accumulated Depreciation/Amortization:    |                       |                            |                   |
| Buildings and Improvements                              | 5,440,483             | 24,382,026                 |                   |
| Infrastructure  | 2,134,711             | 982,001                    |                   |
| Other Capital Assets                                    | 3,260,714             | 2,100,470                  |                   |
| Total Assets  | <u>\$ 25,855,336</u>  | <u>\$ 64,287,281</u>       |                   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                   |                       |                            |                   |
|   |                       |                            |                   |
| Pension Changes in Experience                           | \$ 307,650            | \$ 800,912                 |                   |
| Pension Changes on Investment Earnings                  | 115,269               | 523,860                    |                   |
| Pension Changes in Assumptions                          | 503,645               | 1,206,317                  |                   |
| Pension Changes in Proportion                           | 0                     | 53,013                     |                   |
| Pension Changes in Contributions after Measurement Date | 356,823               | 808,392                    |                   |
| OPEB Changes in Experience                              | 7,788                 | 89,621                     |                   |
| OPEB Changes in Assumptions                             | 33,094                | 424,409                    |                   |
| OPEB Changes in Proportion                              | 0                     | 33,686                     |                   |
| OPEB Contributions after Measurement Date               | 440                   | 20,721                     |                   |
| Total Deferred Outflows of Resources                    | <u>\$ 1,324,709</u>   | <u>\$ 3,960,931</u>        |                   |

(Continued)

Exhibit A

**SEQUATCHIE COUNTY, TENNESSEE**

**Statement of Net Position (Cont.)**

|                                      | Primary<br>Government<br>Activities          | Governmental<br>Activities  | Component<br>Unit |
|--------------------------------------|--|-----------------------------|-------------------|
|                                      | Sequatchie<br>County<br>School<br>Department |                             |                   |
| <b>LIABILITIES</b>                   |  |                             |                   |
| Accounts Payable                     | \$ 42,108                                    | \$ 5,100                    |                   |
| Accrued Interest Payable             | 6,223  | 0                           |                   |
| Payroll Deductions Payable           | 24,832                                       | 804,685                     |                   |
| Noncurrent Liabilities:              |  |                             |                   |
| Due Within One Year - Debt           | 318,524                                      | 0                           |                   |
| Due Within One Year - Other          | 2,786  | 135,915                     |                   |
| Due in More Than One Year - Debt     | 2,289,638                                    | 0                           |                   |
| Due in More Than One Year - Other    | 569,430                                      | 1,824,825                   |                   |
| Total Liabilities                    | <u>\$ 3,253,541</u>                          | <u>\$ 2,770,525</u>         |                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |                             |                   |
| Deferred Current Property Taxes      | \$ 7,248,560                                 | \$ 2,714,029                |                   |
| Pension Changes in Experience        | 25,568                                       | 174,869                     |                   |
| Pension Changes in Proportion        | 0  | 22,712                      |                   |
| OPEB Changes in Experience           | 30,080                                       | 336,245                     |                   |
| OPEB Changes in Assumptions          | 47,928                                       | 185,624                     |                   |
| OPEB Changes in Proportion           | 0  | 96,386                      |                   |
| Total Deferred Inflows of Resources  | <u>\$ 7,352,136</u>                          | <u>\$ 3,529,865</u>         |                   |
| <b>NET POSITION</b>                  |  |                             |                   |
| Net Investment in Capital Assets     | \$ 9,547,002                                 | \$ 34,731,899               |                   |
| Restricted for:                      |  |                             |                   |
| General Government                   | 262,202                                      | 0                           |                   |
| Finance                              | 99,689                                       | 0                           |                   |
| Administration of Justice            | 183,753                                      | 0                           |                   |
| Public Safety                        | 91,075                                       | 0                           |                   |
| Public Health and Welfare            | 670,123                                      | 0                           |                   |
| Highway/Public Works                 | 1,529,654                                    | 0                           |                   |
| Debt Service                         | 582,474                                      | 0                           |                   |
| Capital Projects                     | 275,619                                      | 0                           |                   |
| Education                            | 0  | 4,003,823                   |                   |
| Pensions                             | 0  | 2,816,858                   |                   |
| Unrestricted                         | <u>3,332,777</u>                             | <u>20,395,242</u>           |                   |
| Total Net Position                   | <u><u>\$ 16,574,368</u></u>                  | <u><u>\$ 61,947,822</u></u> |                   |

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

Exhibit B

**SEQUATCHIE 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 Government                                | Component Unit                      |   |
|   |                  |                      |                                    |                                  | Total Governmental Activities                     | Sequatchie County School Department |   |
| Primary Government:                         |                  |                      |                                    |                                  |   |                                     |   |
| Governmental Activities:                    |                  |                      |                                    |                                  |   |                                     |   |
| General Government                          | \$ 3,215,831     | \$ 137,506           | \$ 1,522,584                       | \$ 0                             | \$ (1,555,741)                                    | \$ 0                                | 0 |
| Finance                                     | 968,117          | 630,862              | 0                                  | 0                                | (337,255)   | 0                                   | 0 |
| Administration of Justice                   | 755,880          | 241,396              | 111,117                            | 0                                | (403,367)   | 0                                   | 0 |
| Public Safety                               | 4,329,772        | 721,924              | 266,184                            | 0                                | (3,341,664)                                       | 0                                   | 0 |
| Public Health and Welfare                   | 1,408,335        | 5,640                | 175,377                            | 0                                | (1,227,318)                                       | 0                                   | 0 |
| Social, Cultural, and Recreational Services | 333,077          | 3,508                | 10,000                             | 0                                | (319,569)   | 0                                   | 0 |
| Agriculture and Natural Resources           | 122,865          | 0                    | 0                                  | 0                                | (122,865)   | 0                                   | 0 |
| Highways/Public Works                       | 3,582,449        | 44,517               | 2,043,580                          | 1,628,584                        | 134,232   | 0                                   | 0 |
| Interest on Long-term Debt                  | 98,055           | 0                    | 0                                  | 0                                | (98,055)  | 0                                   | 0 |
| Total Governmental Activities               | \$ 14,814,381    | \$ 1,785,353         | \$ 4,128,842                       | \$ 1,628,584                     | \$ (7,271,602)                                    | \$ 0                                | 0 |
| Total Primary Government                    | \$ 14,814,381    | \$ 1,785,353         | \$ 4,128,842                       | \$ 1,628,584                     | \$ (7,271,602)                                    | \$ 0                                | 0 |
| Component Unit:                             |                  |                      |                                    |                                  |   |                                     |   |
| Squatchie County School Department          | \$ 26,162,033    | \$ 115,320           | \$ 6,962,886                       | \$ 0                             | \$ 0  | \$ (19,083,827)                     |   |
| Total Component Unit                        | \$ 26,162,033    | \$ 115,320           | \$ 6,962,886                       | \$ 0                             | \$ 0  | \$ (19,083,827)                     |   |

(Continued)

Exhibit B

**SEQUATCHIE COUNTY, TENNESSEE**

**Statement of Activities (Cont.)**

| 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 Government                                | Component Unit                      |
|  |                  |                      |                                    |                                  | Total Governmental Activities                     | Sequatchie County School Department |
| General Revenues:  |                  |                      |                                    |                                  |   |                                     |
| Taxes:   |                  |                      |                                    |                                  |   |                                     |
| Property Taxes Levied for General Purposes                   |                  |                      |                                    |                                  | \$ 7,102,907                                      | \$ 2,811,739                        |
| Property Taxes Levied for Debt Service                       |                  |                      |                                    |                                  | 301,839   | 0                                   |
| Local Option Sales Taxes                                     |                  |                      |                                    |                                  | 875,709   | 2,570,299                           |
| Hotel/Motel Tax  |                  |                      |                                    |                                  | 84,118  | 0                                   |
| Mixed Drink Tax  |                  |                      |                                    |                                  | 0   | 14,049                              |
| Litigation Taxes   |                  |                      |                                    |                                  | 78,825  | 0                                   |
| Business Tax   |                  |                      |                                    |                                  | 174,760   | 0                                   |
| Wholesale Beer Tax   |                  |                      |                                    |                                  | 52,833  | 0                                   |
| Grants and Contributions Not Restricted to Specific Programs |                  |                      |                                    |                                  | 797,658   | 16,666,448                          |
| Unrestricted Investment Earnings                             |                  |                      |                                    |                                  | 422,110   | 447,775                             |
| Sale of Equipment  |                  |                      |                                    |                                  | 400   | 7,055                               |
| Miscellaneous  |                  |                      |                                    |                                  | 34,507  | 923,938                             |
| Total General Revenues                                       |                  |                      |                                    |                                  | \$ 9,925,666                                      | \$ 23,441,303                       |
| Change in Net Position                                       |                  |                      |                                    |                                  | \$ 2,654,064                                      | \$ 4,357,476                        |
| Net Position, July 1, 2023                                   |                  |                      |                                    |                                  | 13,920,304  | 57,590,346                          |
| Net Position, June 30, 2024                                  |                  |                      |                                    |                                  | \$ 16,574,368                                     | \$ 61,947,822                       |

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

Exhibit C-1

**SEQUATCHIE COUNTY, TENNESSEE**

**Balance Sheet**

Governmental Funds

**June 30, 2024**

|  | <b>Major Funds</b>  |   |                                       | <b>Nonmajor Funds</b> |                                     | <b>Total<br/>Governmental<br/>Funds</b> |  |
|--|---------------------|---|---------------------------------------|-----------------------|-------------------------------------|---|--|
|  | <b>General</b>      | <b>Solid<br/>Waste /<br/>Sanitation</b> | <b>Highway /<br/>Public<br/>Works</b> | <b>Other</b>          | <b>Govern-<br/>mental<br/>Funds</b> |   |  |
|  |                     |   |                                       |                       |                                     |   |  |
| <b>ASSETS</b>                              |                     |   |                                       |                       |                                     |   |  |
| Cash                                       | \$ 0                | \$ 0                                    | \$ 0                                  | \$ 1,474              | \$ 1,474                            |   |  |
| Equity in Pooled Cash and Investments      | 2,945,903           | 350,397                                 | 916,551                               | 912,853               | 5,125,704                           |   |  |
| Accounts Receivable                        | 698                 | 120                                     | 0                                     | 11,789                | 12,607                              |   |  |
| Due from Other Governments                 | 476,688             | 2,961                                   | 637,935                               | 0                     | 1,117,584                           |   |  |
| Due from Other Funds                       | 4,776               | 0                                       | 0                                     | 0                     | 4,776                               |   |  |
| Property Taxes Receivable                  | 5,805,681           | 1,300,571                               | 0                                     | 674,838               | 7,781,090                           |   |  |
| Allowance for Uncollectible Property Taxes | (253,445)           | (56,776)                                | 0                                     | (28,066)              | (338,287)                           |   |  |
| <b>Total Assets</b>                        | <b>\$ 8,980,301</b> | <b>\$ 1,597,273</b>                     | <b>\$ 1,554,486</b>                   | <b>\$ 1,572,888</b>   | <b>\$ 13,704,948</b>                |   |  |
| <b>LIABILITIES</b>                         |                     |   |                                       |                       |                                     |   |  |
| Accounts Payable                           | \$ 35,640           | \$ 6,468                                | \$ 0                                  | \$ 0                  | \$ 42,108                           |   |  |
| Payroll Deductions Payable                 | 0                   | 0                                       | 24,832                                | 0                     | 24,832                              |   |  |
| Due to Other Funds                         | 0                   | 0                                       | 0                                     | 4,776                 | 4,776                               |   |  |
| <b>Total Liabilities</b>                   | <b>\$ 35,640</b>    | <b>\$ 6,468</b>                         | <b>\$ 24,832</b>                      | <b>\$ 4,776</b>       | <b>\$ 71,716</b>                    |   |  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                     |   |                                       |                       |                                     |   |  |
| Deferred Current Property Taxes            | \$ 5,408,525        | \$ 1,211,601                            | \$ 0                                  | \$ 628,434            | \$ 7,248,560                        |   |  |
| Deferred Delinquent Property Taxes         | 130,787             | 29,299                                  | 0                                     | 17,015                | 177,101                             |   |  |
| Other Deferred/Unavailable Revenue         | 159,309             | 0                                       | 184,076                               | 0                     | 343,385                             |   |  |
| <b>Total Deferred Inflows of Resources</b> | <b>\$ 5,698,621</b> | <b>\$ 1,240,900</b>                     | <b>\$ 184,076</b>                     | <b>\$ 645,449</b>     | <b>\$ 7,769,046</b>                 |   |  |

(Continued)

Exhibit C-1

**SEQUATCHIE COUNTY, TENNESSEE**

**Balance Sheet**

Governmental Funds (Cont.)

|   | <b>Major Funds</b> |   |                                       | <b>Nonmajor Funds</b>               |               | <b>Total<br/>Governmental<br/>Funds</b> |
|---|--------------------|---|---------------------------------------|-------------------------------------|---------------|---|
|   | <b>General</b>     | <b>Solid<br/>Waste /<br/>Sanitation</b> | <b>Highway /<br/>Public<br/>Works</b> | <b>Govern-<br/>mental<br/>Funds</b> |               |   |
|   |                    |   |                                       |                                     |               |   |
| <b>FUND BALANCES</b>  |                    |   |                                       |                                     |               |   |
| Restricted:   |                    |   |                                       |                                     |               |   |
| Restricted for General Government                                   | \$ 81,249          | \$ 0                                    | \$ 0                                  | \$ 0                                | \$ 81,249     |   |
| Restricted for Finance  | 99,689             | 0                                       | 0                                     | 0                                   | 99,689        |   |
| Restricted for Administration of Justice                            | 183,753            | 0                                       | 0                                     | 0                                   | 183,753       |   |
| Restricted for Public Safety  | 9,490              | 0                                       | 0                                     | 81,585                              | 91,075        |   |
| Restricted for Public Health and Welfare                            | 290,919            | 349,905                                 | 0                                     | 0                                   | 640,824       |   |
| Restricted for Other Operations                                     | 50,166             | 0                                       | 0                                     | 0                                   | 50,166        |   |
| Restricted for Highways/Public Works                                | 0                  | 0                                       | 1,345,578                             | 0                                   | 1,345,578     |   |
| Restricted for Capital Outlay                                       | 0                  | 0                                       | 0                                     | 267,471                             | 267,471       |   |
| Restricted for Debt Service   | 0                  | 0                                       | 0                                     | 573,607                             | 573,607       |   |
| Unassigned  | 2,530,774          | 0                                       | 0                                     | 0                                   | 2,530,774     |   |
| Total Fund Balances   | \$ 3,246,040       | \$ 349,905                              | \$ 1,345,578                          | \$ 922,663                          | \$ 5,864,186  |   |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 8,980,301       | \$ 1,597,273                            | \$ 1,554,486                          | \$ 1,572,888                        | \$ 13,704,948 |   |

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

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

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

|   |                              |
|---|------------------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1)  | \$ 5,864,186                 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                              |
| Add: land   | \$ 1,319,256                 |
| Add: buildings and improvements net of accumulated depreciation   | 5,440,483                    |
| Add: infrastructure net of accumulated depreciation   | 2,134,711                    |
| Add: other capital assets net of accumulated depreciation   | <u>3,260,714</u> 12,155,164  |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.   |                              |
| Less: other loans payable   | \$ (2,608,162)               |
| Less: accrued interest on other loans   | (6,223)                      |
| Less: net pension liability   | (460,790)                    |
| Less: net OPEB liability  | <u>(111,426)</u> (3,186,601) |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years. |                              |
| Add: deferred outflows of resources related to pensions   | \$ 1,283,387                 |
| Less: deferred inflows of resources related to pensions   | (25,568)                     |
| Add: deferred outflows of resources related to OPEB   | 41,322                       |
| Less: deferred inflows of resources related to OPEB   | <u>(78,008)</u> 1,221,133    |
| (4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.   | <u>520,486</u>               |
| Net position of governmental activities (Exhibit A)   | <u>\$ 16,574,368</u>         |

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

**SEQUATCHIE COUNTY, TENNESSEE****Statement of Revenues, Expenditures,****and Changes in Fund Balances**

## Governmental Funds

For the Year Ended June 30, 2024

|   | Major Funds          |                          |                         |                     | Nonmajor Funds         |                      |                          |
|---|----------------------|--------------------------|-------------------------|---------------------|------------------------|----------------------|--------------------------|
|   | General              | Solid Waste / Sanitation | General Government Fund | Other               | Other                  | Govern-mental Funds  | Total Governmental Funds |
|   |                      |                          |                         |                     | Highway / Public Works |                      |                          |
| <b>Revenues</b>                             |                      |                          |                         |                     |                        |                      |                          |
| Local Taxes                                 | \$ 6,831,725         | \$ 1,235,824             | \$ 0                    | \$ 646,563          | \$ 8,714,112           |                      |                          |
| Licenses and Permits                        | 41,084               | 0                        | 0                       | 0                   | 0                      | 41,084               |                          |
| Fines, Forfeitures, and Penalties           | 60,043               | 0                        | 0                       | 0                   | 7,055                  | 67,098               |                          |
| Charges for Current Services                | 179,357              | 5,640                    | 0                       | 43,532              | 0                      | 228,529              |                          |
| Other Local Revenues                        | 341,311              | 985                      | 0                       | 26,374              | 107,922                | 476,592              |                          |
| Fees Received From County Officials         | 863,620              | 0                        | 0                       | 0                   | 0                      | 863,620              |                          |
| State of Tennessee                          | 1,695,442            | 73,789                   | 0                       | 3,718,909           | 27,914                 | 5,516,054            |                          |
| Federal Government                          | 20,132               | 0                        | 1,218,425               | 0                   | 0                      | 1,238,557            |                          |
| Other Governments and Citizens Groups       | 240,328              | 0                        | 0                       | 0                   | 0                      | 240,328              |                          |
| <b>Total Revenues</b>                       | <b>\$ 10,273,042</b> | <b>\$ 1,316,238</b>      | <b>\$ 1,218,425</b>     | <b>\$ 3,788,815</b> | <b>\$ 789,454</b>      | <b>\$ 17,385,974</b> |                          |
| <b>Expenditures</b>                         |                      |                          |                         |                     |                        |                      |                          |
| Current:                                    |                      |                          |                         |                     |                        |                      |                          |
| General Government                          | \$ 1,879,925         | \$ 0                     | \$ 0                    | \$ 69,419           | \$ 1,949,344           |                      |                          |
| Finance                                     | 960,921              | 0                        | 0                       | 0                   | 0                      | 960,921              |                          |
| Administration of Justice                   | 785,206              | 0                        | 0                       | 0                   | 0                      | 785,206              |                          |
| Public Safety                               | 4,278,371            | 0                        | 0                       | 0                   | 107,137                | 4,385,508            |                          |
| Public Health and Welfare                   | 410,924              | 1,171,358                | 0                       | 0                   | 0                      | 1,582,282            |                          |
| Social, Cultural, and Recreational Services | 305,429              | 0                        | 0                       | 0                   | 0                      | 305,429              |                          |
| Agriculture and Natural Resources           | 119,115              | 0                        | 0                       | 0                   | 0                      | 119,115              |                          |
| Other Operations                            | 850,178              | 25,039                   | 127,154                 | 0                   | 0                      | 1,002,371            |                          |
| Highways                                    | 0                    | 0                        | 0                       | 3,517,294           | 0                      | 3,517,294            |                          |
| Debt Service:                               |                      |                          |                         |                     |                        |                      |                          |
| Principal on Debt                           | 0                    | 0                        | 0                       | 0                   | 272,000                | 272,000              |                          |
| Interest on Debt                            | 0                    | 0                        | 0                       | 0                   | 98,055                 | 98,055               |                          |
| Other Debt Service                          | 0                    | 0                        | 0                       | 0                   | 26,326                 | 26,326               |                          |

(Continued)

**SEQUATCHIE COUNTY, TENNESSEE****Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

Governmental Funds (Cont.)

|  | Major Funds  |                          |                               |                        | Nonmajor Funds     |                          |
|--|--------------|--------------------------|-------------------------------|------------------------|--------------------|--------------------------|
|  | General      | Solid Waste / Sanitation | Other General Government Fund | Highway / Public Works | Other              | Total Governmental Funds |
|  |              |                          |                               |                        | Governmental Funds |                          |
| <b>Expenditures (Cont.)</b>                          |              |                          |                               |                        |                    |                          |
| Capital Projects                                     | \$ 0         | \$ 0                     | \$ 0                          | \$ 0                   | \$ 30,689          | \$ 30,689                |
| Total Expenditures                                   | \$ 9,590,069 | \$ 1,196,397             | \$ 127,154                    | \$ 3,517,294           | \$ 603,626         | \$ 15,034,540            |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 682,973   | \$ 119,841               | \$ 1,091,271                  | \$ 271,521             | \$ 185,828         | \$ 2,351,434             |
| <b>Other Financing Sources (Uses)</b>                |              |                          |                               |                        |                    |                          |
| Other Loans Issued                                   | \$ 156,538   | \$ 0                     | \$ 0                          | \$ 0                   | \$ 0               | \$ 156,538               |
| Proceeds from Sale of Capital Assets                 | 119,740      | 0                        | 0                             | 0                      | 0                  | 119,740                  |
| Transfers In   | 0            | 200,000                  | 0                             | 0                      | 0                  | 200,000                  |
| Transfers Out  | (200,000)    | 0                        | 0                             | 0                      | 0                  | (200,000)                |
| Total Other Financing Sources (Uses)                 | \$ 76,278    | \$ 200,000               | \$ 0                          | \$ 0                   | \$ 0               | \$ 276,278               |
| Net Change in Fund Balances                          | \$ 759,251   | \$ 319,841               | \$ 1,091,271                  | \$ 271,521             | \$ 185,828         | \$ 2,627,712             |
| Fund Balance, July 1, 2023                           | 2,486,789    | 30,064                   | (1,091,271)                   | 1,074,057              | 736,835            | 3,236,474                |
| Fund Balance, June 30, 2024                          | \$ 3,246,040 | \$ 349,905               | \$ 0                          | \$ 1,345,578           | \$ 922,663         | \$ 5,864,186             |

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

**SEQUATCHIE 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)  | \$ 2,627,712                   |
| (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   | \$ 1,175,214                   |
| Less: current-year depreciation expense   | <u>(881,454)</u> 293,760       |
| (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   | (389,387)                      |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                                |
| Add: deferred delinquent property taxes and other deferred June 30, 2024  | \$ 520,486                     |
| Less: deferred delinquent property taxes and other deferred June 30, 2023   | <u>(379,314)</u> 141,172       |
| (4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items. |                                |
| Less: proceeds from debt issued   | \$ (156,538)                   |
| Add: principal payments on debt   | <u>309,376</u> 152,838         |
| (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  | \$ 680                         |
| Change in net pension asset/liability   | (221,770)                      |
| Change in deferred outflows related to pensions   | 23,582                         |
| Change in deferred inflows related to pensions  | 27,823                         |
| Change in net OPEB liability  | (38,142)                       |
| Change in deferred outflows related to OPEB   | 24,223                         |
| Change in deferred inflows related to OPEB  | <u>11,573</u> <u>(172,031)</u> |
| Change in net position of governmental activities (Exhibit B)   | <u>\$ 2,654,064</u>            |

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

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

General Fund

**For the Year Ended June 30, 2024**

|                                       | Actual        | <b>Budgeted Amounts</b> |              | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|---------------------------------------|---------------|-------------------------|--------------|---|
|                                       |               | Original                | Final        |   |
| <b>Revenues</b>                       |               |                         |              |   |
| Local Taxes                           | \$ 6,831,725  | \$ 6,928,253            | \$ 6,928,253 | \$ (96,528)   |
| Licenses and Permits                  | 41,084        | 51,500                  | 51,500       | (10,416)  |
| Fines, Forfeitures, and Penalties     | 60,043        | 67,550                  | 67,550       | (7,507)   |
| Charges for Current Services          | 179,357       | 165,250                 | 165,250      | 14,107  |
| Other Local Revenues                  | 341,311       | 280,350                 | 160,610      | 180,701   |
| Fees Received From County Officials   | 863,620       | 820,000                 | 820,000      | 43,620  |
| State of Tennessee                    | 1,695,442     | 1,304,100               | 1,529,100    | 166,342   |
| Federal Government                    | 20,132        | 10,000                  | 10,000       | 10,132  |
| Other Governments and Citizens Groups | 240,328       | 356,000                 | 131,000      | 109,328   |
| Total Revenues                        | \$ 10,273,042 | \$ 9,983,003            | \$ 9,863,263 | \$ 409,779  |
| <b>Expenditures</b>                   |               |                         |              |   |
| General Government                    |               |                         |              |   |
| County Commission                     | \$ 437,198    | \$ 439,137              | \$ 444,487   | \$ 7,289  |
| Board of Equalization                 | 2,625         | 11,000                  | 11,000       | 8,375   |
| Beer Board                            | 1,200         | 2,000                   | 2,000        | 800   |
| County Mayor/Executive                | 452,891       | 451,927                 | 453,526      | 635   |
| County Attorney                       | 12,000        | 12,000                  | 12,000       | 0   |
| Election Commission                   | 221,472       | 231,970                 | 231,970      | 10,498  |
| Register of Deeds                     | 189,782       | 190,787                 | 190,787      | 1,005   |
| County Buildings                      | 562,757       | 568,695                 | 571,196      | 8,439   |
| Finance                               |               |                         |              |   |
| Property Assessor's Office            | 293,176       | 332,732                 | 332,732      | 39,556  |
| Reappraisal Program                   | 15,132        | 33,768                  | 33,768       | 18,636  |
| County Trustee's Office               | 264,379       | 271,341                 | 271,341      | 6,962   |
| County Clerk's Office                 | 388,234       | 378,625                 | 396,325      | 8,091   |
| Administration of Justice             |               |                         |              |   |
| Circuit Court                         | 278,070       | 297,146                 | 302,145      | 24,075  |
| General Sessions Court                | 124,102       | 125,325                 | 126,371      | 2,269   |
| Drug Court                            | 1,527         | 8,000                   | 8,000        | 6,473   |
| Chancery Court                        | 212,248       | 196,483                 | 230,449      | 18,201  |
| Juvenile Court                        | 130,814       | 128,224                 | 140,650      | 9,836   |
| Judicial Commissioners                | 38,445        | 40,300                  | 40,300       | 1,855   |
| Public Safety                         |               |                         |              |   |
| Sheriff's Department                  | 1,982,408     | 1,855,272               | 2,142,329    | 159,921   |
| Jail                                  | 1,898,920     | 1,925,645               | 1,985,644    | 86,724  |
| Fire Prevention and Control           | 151,000       | 181,000                 | 181,000      | 30,000  |
| Rescue Squad                          | 25,000        | 25,000                  | 25,000       | 0   |
| Other Emergency Management            | 130,262       | 199,756                 | 199,756      | 69,494  |
| County Coroner/Medical Examiner       | 90,781        | 72,000                  | 88,500       | (2,281)   |

(Continued)

**SEQUATCHIE COUNTY, TENNESSEE**

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

|  | <b>Actual</b> | <b>Budgeted Amounts</b> |               | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |  |  |
|--|---------------|-------------------------|---------------|---|--|--|
|  |               | <b>Original</b>         | <b>Final</b>  |   |  |  |
| <b>Expenditures (Cont.)</b>                          |               |                         |               |   |  |  |
| Public Health and Welfare                            |               |                         |               |   |  |  |
| Local Health Center                                  | \$ 19,927     | \$ 40,453               | \$ 40,453     | \$ 20,526   |  |  |
| Ambulance/Emergency Medical Services                 | 215,813       | 200,000                 | 200,000       | (15,813)  |  |  |
| Other Local Health Services                          | 155,184       | 202,100                 | 202,100       | 46,916  |  |  |
| Other Public Health and Welfare                      | 20,000        | 20,000                  | 20,000        | 0   |  |  |
| Social, Cultural, and Recreational Services          |               |                         |               |   |  |  |
| Senior Citizens Assistance                           | 10,035        | 10,250                  | 10,250        | 215   |  |  |
| Libraries  | 153,584       | 157,147                 | 160,047       | 6,463   |  |  |
| Parks and Fair Boards                                | 131,060       | 137,175                 | 137,175       | 6,115   |  |  |
| Other Social, Cultural, and Recreational             | 10,750        | 17,500                  | 17,500        | 6,750   |  |  |
| Agriculture and Natural Resources                    |               |                         |               |   |  |  |
| Agricultural Extension Service                       | 92,589        | 108,400                 | 108,400       | 15,811  |  |  |
| Soil Conservation                                    | 25,900        | 25,900                  | 25,900        | 0   |  |  |
| Flood Control  | 626           | 10,000                  | 10,000        | 9,374   |  |  |
| Other Operations                                     |               |                         |               |   |  |  |
| Tourism  | 171,596       | 195,000                 | 195,000       | 23,404  |  |  |
| Other Economic and Community Development             | 441,126       | 458,100                 | 458,100       | 16,974  |  |  |
| Veterans' Services                                   | 34,146        | 35,405                  | 35,405        | 1,259   |  |  |
| Other Charges  | 203,310       | 172,355                 | 203,083       | (227)   |  |  |
| Total Expenditures                                   | \$ 9,590,069  | \$ 9,767,918            | \$ 10,244,689 | \$ 654,620  |  |  |
| Excess (Deficiency) of Revenues<br>Over Expenditures |               |                         |               |   |  |  |
|  | \$ 682,973    | \$ 215,085              | \$ (381,426)  | \$ 1,064,399  |  |  |
| <b>Other Financing Sources (Uses)</b>                |               |                         |               |   |  |  |
| Other Loans Issued                                   | \$ 156,538    | \$ 0                    | \$ 156,538    | \$ 0  |  |  |
| Proceeds from Sale of Capital Assets                 | 119,740       | 0                       | 119,740       | 0   |  |  |
| Insurance Recovery                                   | 0             | 50,000                  | 50,000        | (50,000)  |  |  |
| Transfers Out  | (200,000)     | (200,000)               | (200,000)     | 0   |  |  |
| Total Other Financing Sources                        | \$ 76,278     | \$ (150,000)            | \$ 126,278    | \$ (50,000)   |  |  |
| Net Change in Fund Balance                           | \$ 759,251    | \$ 65,085               | \$ (255,148)  | \$ 1,014,399  |  |  |
| Fund Balance, July 1, 2023                           | 2,486,789     | 2,101,936               | 2,101,936     | 384,853   |  |  |
| Fund Balance, June 30, 2024                          | \$ 3,246,040  | \$ 2,167,021            | \$ 1,846,788  | \$ 1,399,252  |  |  |

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

**SEQUATCHIE COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
**Solid Waste/Sanitation Fund**  
**For the Year Ended June 30, 2024**

|  | <b>Actual</b>       | <b>Budgeted Amounts</b> |                     | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|--|---------------------|-------------------------|---------------------|---|
|  |                     | <b>Original</b>         | <b>Final</b>        |   |
| <b>Revenues</b>  |                     |                         |                     |   |
| Local Taxes  | \$ 1,235,824        | \$ 1,211,699            | \$ 1,211,699        | \$ 24,125   |
| Charges for Current Services                             | 5,640               | 0                       | 0                   | 5,640   |
| Other Local Revenues                                     | 985                 | 1,000                   | 1,000               | (15)  |
| State of Tennessee                                       | 73,789              | 73,700                  | 73,700              | 89  |
| <b>Total Revenues</b>                                    | <b>\$ 1,316,238</b> | <b>\$ 1,286,399</b>     | <b>\$ 1,286,399</b> | <b>\$ 29,839</b>  |
| <b>Expenditures</b>                                      |                     |                         |                     |   |
| Public Health and Welfare                                |                     |                         |                     |   |
| Sanitation Education/Information                         | \$ 42,156           | \$ 44,200               | \$ 44,200           | \$ 2,044  |
| Waste Pickup   | 566,667             | 349,462                 | 599,462             | 32,795  |
| Convenience Centers                                      | 287,305             | 293,205                 | 301,205             | 13,900  |
| Other Waste Collection                                   | 264,529             | 265,000                 | 265,000             | 471   |
| Landfill Operation and Maintenance                       | 10,701              | 10,701                  | 10,701              | 0   |
| Other Operations   |                     |                         |                     |   |
| Other Charges  | 25,039              | 14,000                  | 26,000              | 961   |
| <b>Total Expenditures</b>                                | <b>\$ 1,196,397</b> | <b>\$ 976,568</b>       | <b>\$ 1,246,568</b> | <b>\$ 50,171</b>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ 119,841          | \$ 309,831              | \$ 39,831           | \$ 80,010   |
| <b>Other Financing Sources (Uses)</b>                    |                     |                         |                     |   |
| Transfers In   | \$ 200,000          | \$ 200,000              | \$ 200,000          | \$ 0  |
| <b>Total Other Financing Sources</b>                     | <b>\$ 200,000</b>   | <b>\$ 200,000</b>       | <b>\$ 200,000</b>   | <b>\$ 0</b>   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2023 | \$ 319,841          | \$ 509,831              | \$ 239,831          | \$ 80,010   |
| Fund Balance, June 30, 2024                              | 30,064              | 23,848                  | 23,848              | 6,216   |
|  | <b>\$ 349,905</b>   | <b>\$ 533,679</b>       | <b>\$ 263,679</b>   | <b>\$ 86,226</b>  |

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

**SEQUATCHIE COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
Other General Government Fund  
**For the Year Ended June 30, 2024**

|  | Actual       | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|--------------|------------------|--------------|--|
|  |              | Original         | Final        |  |
| <b>Revenues</b>  |              |                  |              |  |
| Federal Government                                       | \$ 1,218,425 | \$ 1,199,312     | \$ 1,199,312 | \$ 19,113  |
| Total Revenues   | \$ 1,218,425 | \$ 1,199,312     | \$ 1,199,312 | \$ 19,113  |
| <b>Expenditures</b>                                      |              |                  |              |  |
| Other Operations   |              |                  |              |  |
| American Rescue Plan Act Grant #1                        | \$ 127,154   | \$ 127,155       | \$ 127,155   | \$ 1   |
| Total Expenditures                                       | \$ 127,154   | \$ 127,155       | \$ 127,155   | \$ 1   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ 1,091,271 | \$ 1,072,157     | \$ 1,072,157 | \$ 19,114  |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2023 | \$ 1,091,271 | \$ 1,072,157     | \$ 1,072,157 | \$ 19,114  |
|  | (1,091,271)  | (1,072,157)      | (1,072,157)  | (19,114)   |
| Fund Balance, June 30, 2024                              | \$ 0         | \$ 0             | \$ 0         | \$ 0   |

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

**SEQUATCHIE COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
**Highway/Public Works Fund**  
**For the Year Ended June 30, 2024**

|  | <b>Actual</b>       | <b>Budgeted Amounts</b> |                     | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|--|---------------------|-------------------------|---------------------|---|
|  |                     | <b>Original</b>         | <b>Final</b>        |   |
| <b>Revenues</b>  |                     |                         |                     |   |
| Charges for Current Services                             | \$ 43,532           | \$ 0                    | \$ 43,092           | \$ 440  |
| Other Local Revenues                                     | 26,374              | 0                       | 0                   | 26,374  |
| State of Tennessee                                       | 3,718,909           | 5,237,822               | 7,629,464           | (3,910,555)   |
| Total Revenues   | <u>\$ 3,788,815</u> | <u>\$ 5,237,822</u>     | <u>\$ 7,672,556</u> | <u>\$ (3,883,741)</u>   |
| <b>Expenditures</b>                                      |                     |                         |                     |   |
| Highways   |                     |                         |                     |   |
| Administration   | \$ 318,060          | \$ 329,725              | \$ 331,225          | \$ 13,165   |
| Highway and Bridge Maintenance                           | 2,120,959           | 971,900                 | 2,273,635           | 152,676   |
| Operation and Maintenance of Equipment                   | 236,680             | 277,620                 | 278,630             | 41,950  |
| Other Charges  | 74,353              | 78,102                  | 78,102              | 3,749   |
| Employee Benefits  | 173,103             | 231,500                 | 231,500             | 58,397  |
| Capital Outlay   | 594,139             | 177,000                 | 1,344,000           | 749,861   |
| Total Expenditures                                       | <u>\$ 3,517,294</u> | <u>\$ 2,065,847</u>     | <u>\$ 4,537,092</u> | <u>\$ 1,019,798</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | <u>\$ 271,521</u>   | <u>\$ 3,171,975</u>     | <u>\$ 3,135,464</u> | <u>\$ (2,863,943)</u>   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2023 | <u>\$ 271,521</u>   | <u>\$ 3,171,975</u>     | <u>\$ 3,135,464</u> | <u>\$ (2,863,943)</u>   |
| Fund Balance, June 30, 2024                              | <u>\$ 1,074,057</u> | <u>\$ 1,373,363</u>     | <u>\$ 1,373,363</u> | <u>\$ (299,306)</u>   |
|  | <u>\$ 1,345,578</u> | <u>\$ 4,545,338</u>     | <u>\$ 4,508,827</u> | <u>\$ (3,163,249)</u>   |

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

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

Fiduciary Funds

**June 30, 2024**

|   | <b>Custodial<br/>Funds</b> |
|---|----------------------------|
| <b>ASSETS</b>   |                            |
| Cash  | \$ 385,354                 |
| Due from Other Governments                                      | <u>320,744</u>             |
| <br>Total Assets  | <br><u>\$ 706,098</u>      |
| <b>LIABILITIES</b>  |                            |
| Due to Other Taxing Units                                       | \$ 320,744                 |
| <br>Total Liabilities   | <br><u>\$ 320,744</u>      |
| <b>NET POSITION</b>   |                            |
| Restricted for Individuals, Organizations and Other Governments | \$ 385,354                 |
| <br>Total Net Position  | <br><u>\$ 385,354</u>      |

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

**SEQUATCHIE COUNTY, TENNESSEE****Statement of Changes in Net Position**

Fiduciary Funds

**For the Year Ended June 30, 2024**

|   | <b>Custodial<br/>Funds</b> |
|---|----------------------------|
| <b>ADDITIONS</b>                                      |                            |
|   |                            |
| Sales Tax Collections for Other Governments           | \$ 1,739,331               |
| Fines/Fees and Other Collections                      | 5,354,720                  |
| <b>Total Additions</b>                                | <b>\$ 7,094,051</b>        |
| <b>DEDUCTIONS</b>                                     |                            |
|   |                            |
| Payment of Sales Tax Collections to Other Governments | \$ 1,739,331               |
| Payments to State                                     | 2,928,615                  |
| Payments to County/City                               | 607,940                    |
| Payments to Individuals and Others                    | 1,726,993                  |
| <b>Total Deductions</b>                               | <b>\$ 7,002,879</b>        |
| Net Increase (Decrease) in Fiduciary in Net Position  | \$ 91,172                  |
| <b>Net Position, July 1, 2023</b>                     | <b>294,182</b>             |
| <br>Net Position, June 30, 2024                       | <br><b>\$ 385,354</b>      |

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

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## SEQUATCHIE COUNTY, TENNESSEE INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Sequatchie 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 Sequatchie County:

**A. *Reporting Entity***

Sequatchie County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Sequatchie County (the primary government) and its component units. The financial statements of the Sequatchie 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 Sequatchie County School Department operates the public school system in the county, and the voters of Sequatchie 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 Sequatchie County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sequatchie County, and the Sequatchie 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 Sequatchie County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Sequatchie County Emergency Communications District  
426 Cedar Street  
Dunlap, TN 37327

**Related Organization** – The Sequatchie County Industrial Development Board is a related organization of Sequatchie County. The county commission nominates and confirms the board members, but the county's accountability for the organization does not extend beyond making the appointments.

***B. Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all 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 Sequatchie 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 Sequatchie 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.

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

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

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

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

Fund financial statements of Sequatchie 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 or 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. Sequatchie County has no proprietary funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Sequatchie 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.

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.

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

**Other General Government Fund** – This special revenue fund accounts for transactions of American Rescue Plan Act grants for the county.

**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.

Additionally, Sequatchie County reports the following fund types:

**Capital Projects Fund** – The General Capital Projects Fund is 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 Sequatchie County.

The discretely presented Sequatchie 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** – This fund is used to account for construction projects of the school department.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 24) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 23) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S.

government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Sequatchie County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General, General Debt Service, and General Purpose School funds. Sequatchie 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. Sequatchie County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

## **2. Receivables and Payables**

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

Property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.29 percent of total taxes levied.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

Most payables are disaggregated on the face of the financial statements.

## **3. Restricted Assets**

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Sequatchie 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 Sequatchie County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Sequatchie 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 (\$10,000 for the discretely presented Sequatchie County School Department) 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   |
|----------------------------|---------|
| Primary Government:        |         |
| Buildings and Improvements | 7 - 40  |
| Infrastructure:            |         |
| Roads                      | 20 - 50 |
| Bridges                    | 30 - 50 |
| Other Capital Assets       | 5 - 20  |
| School Department:         |         |
| Buildings and Improvements | 20 - 50 |
| Infrastructure             | 10 - 20 |
| Other Capital Assets       | 10 - 20 |

## 5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this

category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension and OPEB changes in experience and proportionate share; OPEB changes in assumptions; and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## 6. Compensated Absences

### Primary Government

The general policy of Sequatchie County does not allow for the accumulation of unused vacation and sick leave days beyond year end.

### Discretely Presented Sequatchie County School Department

The general policy of the school department does not allow for the accumulation of vacation days beyond year end. Employees of the school department are allowed to accumulate 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 other loans payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including 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 equity is classified as net position and displayed in three components:

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

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget/Finance Committee to

make assignments for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and 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. Minimum Fund Balance Policy**

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

General Fund – five percent of current-year appropriations.

Solid Waste/Sanitation Fund – five percent of current-year appropriations.

Debt Service Fund – five percent of current-year appropriations.

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

**F. Other Postemployment Benefit (OPEB) Plans**

**Primary Government**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Sequatchie County. For this purpose, Sequatchie County recognizes benefit payments when due and payable in accordance with benefit terms. Sequatchie County's OPEB plan is not administered through a trust.

**Discretely Presented Sequatchie 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 Sequatchie 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 Sequatchie County School Department**

Exhibit H-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 Sequatchie County School Department**

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

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. *Budgetary Information*

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

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

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

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

On June 30, 2024, the discretely presented school department's General Purpose School Fund had outstanding encumbrances totaling \$165,632.

#### B. *Expenditures Exceeded Appropriations*

Expenditures exceeded the total appropriations approved by the county commission in the Drug Control (\$4,137) and General Capital Projects Fund (\$1,891).

In addition, expenditures exceeded appropriations approved by the county commission in the major appropriation categories (the legal level of control) of various funds administered by the county as reflected in the following table:

| Fund/Major Appropriation Category     | Amount<br>Overspent |
|---------------------------------------|---------------------|
| General Fund:                         |                     |
| County Coroner/Medical Examiner       | \$ 2,281            |
| Ambulance/Emergency Medical Services  | 15,813              |
| Other Operations - Other Charges      | 227                 |
| Drug Control Fund:                    |                     |
| Drug Enforcement                      | 4,137               |
| General Debt Service Fund:            |                     |
| Interest on Debt - General Government | 2,637               |
| General Capital Projects Fund:        |                     |
| Public Utility Projects               | 1,891               |

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. *Deposits and Investments*

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

##### Deposits

**Legal Provisions.** All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more

federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

## **Investments**

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

The county had no pooled or nonpooled investments as of June 30, 2024.

## TCRS Stabilization Trust

**Legal Provisions.** The Sequatchie 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 Sequatchie 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 Sequatchie 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<br>Average<br>Maturity<br>(days) | Maturities | Fair<br>Value     |
|--|---|------------|-------------------|
| Investments at Fair Value:                 |   |            |                   |
| U.S. Equity                                | N/A                                       | N/A        | \$ 92,910         |
| Developed Market International Equity      | N/A                                       | N/A        | 41,960            |
| Emerging Market International Equity       | N/A                                       | N/A        | 11,989            |
| U.S. Fixed Income                          | N/A                                       | N/A        | 59,942            |
| Real Estate                                | N/A                                       | N/A        | 29,971            |
| Short-term Securities                      | N/A                                       | N/A        | 2,997             |
| NAV - Private Equity and Strategic Lending | N/A                                       | N/A        | <u>59,942</u>     |
| Total                                      |   |            | <u>\$ 299,711</u> |

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

**B. Capital Assets**

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

**Primary Government**

**Governmental Activities:**

|  | Balance<br>7-1-23    | Increases           | Decreases           | Balance<br>6-30-24   |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not<br>Depreciated:       |                      |                     |                     |                      |
| Land                                     | \$ 1,562,843         | \$ 90,413           | \$ (334,000)        | \$ 1,319,256         |
| Total Capital Assets<br>Not Depreciated  | <u>\$ 1,562,843</u>  | <u>\$ 90,413</u>    | <u>\$ (334,000)</u> | <u>\$ 1,319,256</u>  |
| Capital Assets<br>Depreciated:           |                      |                     |                     |                      |
| Buildings and<br>Improvements            | \$ 11,889,740        | \$ 34,400           | \$ (475,000)        | \$ 11,449,140        |
| Infrastructure                           | 15,297,455           | 0                   | (2,947)             | 15,294,508           |
| Other Capital Assets                     | <u>6,215,233</u>     | <u>1,050,401</u>    | <u>(102,225)</u>    | <u>7,163,409</u>     |
| Total Capital Assets<br>Depreciated      | <u>\$ 33,402,428</u> | <u>\$ 1,084,801</u> | <u>\$ (580,172)</u> | <u>\$ 33,907,057</u> |
| Less Accumulated<br>Depreciation For:    |                      |                     |                     |                      |
| Buildings and<br>Improvements            | \$ 6,189,430         | \$ 294,227          | \$ (475,000)        | \$ 6,008,657         |
| Infrastructure                           | 13,083,013           | 77,558              | (774)               | 13,159,797           |
| Other Capital Assets                     | <u>3,442,037</u>     | <u>509,669</u>      | <u>(49,011)</u>     | <u>3,902,695</u>     |
| Total Accumulated<br>Depreciation        | <u>\$ 22,714,480</u> | <u>\$ 881,454</u>   | <u>\$ (524,785)</u> | <u>\$ 23,071,149</u> |
| Total Capital Assets<br>Depreciated, Net | <u>\$ 10,687,948</u> | <u>\$ 203,347</u>   | <u>\$ (55,387)</u>  | <u>\$ 10,835,908</u> |
| Governmental Activities                  |                      |                     |                     |                      |
| Capital Assets, Net                      | <u>\$ 12,250,791</u> | <u>\$ 293,760</u>   | <u>\$ (389,387)</u> | <u>\$ 12,155,164</u> |

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

**Governmental Activities:**

|   |                   |
|---|-------------------|
| General Administration                      | \$ 64,905         |
| Finance                                     | 7,196             |
| Administration of Justice                   | 4,640             |
| Public Safety                               | 313,136           |
| Public Health and Welfare                   | 85,739            |
| Social, Cultural, and Recreational Services | 21,497            |
| Agriculture and Natural Resources           | 3,750             |
| Highways/Public Works                       | <u>380,591</u>    |
| <br>Total Depreciation Expense -            |                   |
| Governmental Activities                     | <u>\$ 881,454</u> |

**Net Investment in Capital Assets**

---

|                                       |                     |
|---------------------------------------|---------------------|
| Capital Assets                        | \$ 12,155,164       |
| Less:                                 |                     |
| Outstanding principal of capital debt | <u>(2,608,162)</u>  |
| Net Investment in Capital Assets      | <u>\$ 9,547,002</u> |

**Discretely Presented Sequatchie County School Department**

**Governmental Activities:**

|                                       | Balance<br>7-1-23           | Increases                  | Balance<br>6-30-24          |
|---------------------------------------|-----------------------------|----------------------------|-----------------------------|
| Capital Assets Not Depreciated:       |                             |                            |                             |
| Land                                  | \$ 1,256,649                | \$ 0                       | \$ 1,256,649                |
| Construction in Progress              | 820,471                     | 5,190,282                  | 6,010,753                   |
| Total Capital Assets Not Depreciated  | <u>\$ 2,077,120</u>         | <u>\$ 5,190,282</u>        | <u>\$ 7,267,402</u>         |
| Capital Assets Depreciated:           |                             |                            |                             |
| Buildings and Improvements            | \$ 41,293,773               | \$ 59,739                  | \$ 41,353,512               |
| Infrastructure                        | 2,283,853                   | 0                          | 2,283,853                   |
| Other Capital Assets                  | 5,276,779                   | 270,798                    | 5,547,577                   |
| Total Capital Assets Depreciated      | <u>\$ 48,854,405</u>        | <u>\$ 330,537</u>          | <u>\$ 49,184,942</u>        |
| Less Accumulated Depreciation For:    |                             |                            |                             |
| Buildings and Improvements            | \$ 16,135,540               | \$ 835,946                 | \$ 16,971,486               |
| Infrastructure                        | 1,223,173                   | 78,679                     | 1,301,852                   |
| Other Capital Assets                  | 3,224,899                   | 222,208                    | 3,447,107                   |
| Total Accumulated Depreciation        | <u>\$ 20,583,612</u>        | <u>\$ 1,136,833</u>        | <u>\$ 21,720,445</u>        |
| Total Capital Assets Depreciated, Net | <u><u>\$ 28,270,793</u></u> | <u><u>\$ (806,296)</u></u> | <u><u>\$ 27,464,497</u></u> |
| Governmental Activities               |                             |                            |                             |
| Capital Assets, Net                   | <u><u>\$ 30,347,913</u></u> | <u><u>\$ 4,383,986</u></u> | <u><u>\$ 34,731,899</u></u> |

There were no decreases in capital assets to report during the year ended June 30, 2024.

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

**Governmental Activities:**

|   |                     |
|---|---------------------|
| Instruction                             | \$ 893,880          |
| Support Services                        | 195,809             |
| Operation of Non-instructional Services | <u>47,144</u>       |
| <br>Total Depreciation Expense -        |                     |
| Governmental Activities                 | <u>\$ 1,136,833</u> |

**C. *Construction Commitments***

On June 30, 2024, the school department had an uncompleted construction contract of approximately \$550,020 for school renovations. Funding has been received for these future expenditures.

**D. *Interfund Receivables, Payables, and Transfers***

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

**Due to/from Other Funds:**

| Receivable Fund            | Payable Fund          | Amount   |
|----------------------------|-----------------------|----------|
| <b>Primary Government:</b> |                       |          |
| General                    | Nonmajor governmental | \$ 4,776 |

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

**Interfund Transfers:**

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

**Primary Government**

| Transfer Out | Transfer In |            |
|--------------|-------------|------------|
|              | Fund        | Purpose    |
| General Fund | \$ 200,000  | Operations |

## Discretely Presented Sequatchie County School Department

| Transfers Out                | Transfers In             |                |
|------------------------------|--------------------------|----------------|
|                              | General                  |                |
|                              | Purpose                  |                |
|                              | School                   |                |
| Fund                         |                          | Purpose        |
| School Federal Projects Fund | \$ 204,160               | Indirect costs |
| Nonmajor governmental funds  | <u>52,906</u>            | Direct costs   |
| Total                        | <u><u>\$ 257,066</u></u> |                |

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**

#### **Other Loans**

**Direct Borrowing and Direct Placements** – Sequatchie 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. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms up to 28 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term debt as of June 30, 2024, will be retired from the General and General Debt Service funds.

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: |               |                |                 |                 |

|                          |          |           |              |              |
|--------------------------|----------|-----------|--------------|--------------|
| Other Loans              | Variable | % 5-25-32 | \$ 6,500,000 | \$ 2,489,000 |
| Other Loans - Fixed rate | 3.07     | 6-30-27   | 156,538      | 119,162      |

In prior years, Sequatchie County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$6,500,000 to Sequatchie County for construction of a justice center. This 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 (trustee, letter of credit, and debt remarketing) in connection with this loan. On June 30, 2024, the variable interest rate was 4.02

percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal plus \$85 (trustee) annually.

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

| Year Ending<br>June 30 | Other Loans - Direct Placement |                   |                   |                     | Total |
|------------------------|--------------------------------|-------------------|-------------------|---------------------|-------|
|                        | Principal                      | Interest          | Other Fees        |                     |       |
| 2025                   | \$ 318,524                     | \$ 125,268        | \$ 20,683         | \$ 464,475          |       |
| 2026                   | 327,709                        | 112,828           | 18,863            | 459,400             |       |
| 2027                   | 337,929                        | 100,029           | 16,991            | 454,949             |       |
| 2028                   | 306,000                        | 86,832            | 15,060            | 407,892             |       |
| 2029                   | 315,000                        | 74,531            | 13,071            | 402,602             |       |
| 2030-2032              | 1,003,000                      | 146,047           | 26,675            | 1,175,722           |       |
| <b>Total</b>           | <b>\$ 2,608,162</b>            | <b>\$ 645,535</b> | <b>\$ 111,343</b> | <b>\$ 3,365,040</b> |       |

There is \$573,607 available in the General Debt Service Fund to service long-term debt. Total debt per capita totaled \$165, based on the 2020 federal census.

### Changes in Long-term Debt

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

| Governmental Activities:        | Other<br>Loans -<br>Direct<br>Placement |
|---------------------------------|---|
| Balance, July 1, 2023           | \$ 2,761,000                            |
| Additions                       | 156,538                                 |
| Reductions                      | (309,376)                               |
| <br>Balance, June 30, 2024      | <br><u>\$ 2,608,162</u>                 |
| <br>Balance Due Within One Year | <br><u>\$ 318,524</u>                   |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

|   |                     |
|---|---------------------|
| Total Noncurrent Liabilities - Debt, June 30, 2024                    | \$ 2,608,162        |
| Less: Balance Due Within One Year - Debt                              | <u>(318,524)</u>    |
| Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A | <u>\$ 2,289,638</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:    | Other Postemployment Benefits | Net Pension Liability | Net Pension Agent Plan |
|-----------------------------|-------------------------------|-----------------------|------------------------|
| Balance, July 1, 2023       | \$ 73,284                     | \$ 239,020            |                        |
| Additions                   | 41,947                        | 1,805,355             |                        |
| Reductions                  | (3,805)                       | (1,583,585)           |                        |
| Balance, June 30, 2024      | <u>\$ 111,426</u>             | <u>\$ 460,790</u>     |                        |
| Balance Due Within One Year | <u>\$ 2,786</u>               | <u>\$ 0</u>           |                        |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

|  |                   |
|--|-------------------|
| Total Noncurrent Liabilities - Other, June 30, 2024                    | \$ 572,216        |
| Less: Balance Due Within One Year - Other                              | <u>(2,786)</u>    |
| Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | <u>\$ 569,430</u> |

Other postemployment benefits and pensions will be paid from the employing funds, primarily the General and Highway/Public Works funds.

## Discretely Presented Sequatchie County School Department

### Changes in Long-term Obligations

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

| Governmental Activities:    | Other Postemployment Benefits | Net Pension Liability | Net Pension Agent Plan |
|-----------------------------|-------------------------------|-----------------------|------------------------|
| Balance, July 1, 2023       | \$ 1,553,303                  | \$ 150,962            |                        |
| Additions                   | 281,001                       | 1,280,309             |                        |
| Reductions                  | (197,766)                     | (1,107,069)           |                        |
| Balance, June 30, 2024      | <u>\$ 1,636,538</u>           | <u>\$ 324,202</u>     |                        |
| Balance Due Within One Year | <u>\$ 135,915</u>             | <u>\$ 0</u>           |                        |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

|  |                     |
|--|---------------------|
| Total Noncurrent Liabilities - Other, June 30, 2024                    | \$ 1,960,740        |
| Less: Balance Due Within One Year - Other                              | <u>(135,915)</u>    |
| Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A | <u>\$ 1,824,825</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 Sequatchie County School Department*

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sequatchie County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are 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 \$13,586. 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 Sequatchie County general government's (excluding the highway department) risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation 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 Sequatchie County general government pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The Sequatchie County Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund (LGWCF), which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The highway department pays an annual premium to the LGPCF and LGWCF for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

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

### **Discretely Presented Sequatchie County School Department**

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

The school department continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, and environmental. Settled claims did not exceed commercial insurance coverage during any of the past three fiscal years.

***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. Management and attorneys 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 Ventures***

The Sequatchie/Bledsoe Landfill Board is responsible for a closed regional sanitary landfill, which is owned by Bledsoe County, Sequatchie County, the city of Dunlap, and the city of Pikeville. The landfill is governed by a ten-member board, including the county executive and two members appointed by the county commission. The remaining seven members are appointed by the other joint owners. Sequatchie County has control over budgeting and financing the joint venture only to the extent of representation by the three board members and is responsible for funding approximately 28.5 percent of any postclosure care costs. Sequatchie County made no contributions to the operation of the board during the year examined. Complete financial statements for the Sequatchie/Bledsoe Landfill Board can be obtained from the board's administrative office at the following address:

Administrative Office:

Sequatchie/Bledsoe Landfill  
P.O. Box 149  
Pikeville, TN 37367

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District and the municipalities within the district. The district is composed of Rhea, Bledsoe, Franklin, Grundy, Marion, and Sequatchie counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Sequatchie County made no contributions 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:

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

**E. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

***General Information About the Pension Plan***

*Plan Description.* Employees of Sequatchie County and non-certified employees of the discretely presented Sequatchie 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 58.7 percent, the non-certified employees of the discretely presented school department comprise 41.3 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

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

|  |                |
|--|----------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 157            |
| Inactive Employees Entitled to But Not Yet Receiving Benefits    | 448            |
| Active Employees   | 258            |
| <br>Total  | <br><u>863</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. Sequatchie 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 Sequatchie County was \$606,138 based on a rate of 6.99 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Sequatchie 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)***

Sequatchie County's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions, used in the June 30, 2023, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

| Asset Class           | Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Allocations |
|-----------------------|---|---------------------------|
| U.S. Equity           | 4.88  | %                         |
| Developed Market      |   | 31                        |
| 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                         |
| <br>Total             | <br>100   | <br>%                     |

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 Sequatchie 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<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(Asset)<br>(a)-(b) |
| Balance, July 1, 2022   | <u>\$ 26,272,935</u>                 | <u>\$ 25,882,953</u>                     | <u>\$ 389,982</u>                              |
| <b>Changes for the Year:</b>  |                                      |  |  |
| Service Cost  | \$ 728,579                           | \$ 0                                     | \$ 728,579                                     |
| Interest  | 1,783,074                            | 0  | 1,783,074                                      |
| Differences Between Expected<br>and Actual Experience               | 539,132                              | 0  | 539,132  |
| Contributions-Employer  | 0                                    | 553,272                                  | (553,272)                                      |
| Contributions-Employees   | 0                                    | 395,762                                  | (395,762)                                      |
| Net Investment Income   | 0                                    | 1,731,519                                | (1,731,519)                                    |
| Benefit Payments, Including<br>Refunds of Employee<br>Contributions | (1,171,193)                          | (1,171,193)                              | 0  |
| Administrative Expense  | 0                                    | (24,778)                                 | 24,778   |
| Net Changes   | <u>\$ 1,879,592</u>                  | <u>\$ 1,484,582</u>                      | <u>\$ 395,010</u>                              |
| Balance, June 30, 2023  | <u>\$ 28,152,527</u>                 | <u>\$ 27,367,535</u>                     | <u>\$ 784,992</u>                              |

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

|                    |           | Plan                 | Net                  |
|--------------------|-----------|----------------------|----------------------|
|                    | Total     | Fiduciary            | Pension              |
|                    | Pension   | Net                  | Liability            |
|                    | Liability | Position             | (Asset)              |
| Primary Government | 58.70%    | \$ 16,525,533        | \$ 16,064,743        |
| School Department  | 41.30%    | <u>11,626,994</u>    | <u>11,302,792</u>    |
| Total              |           | <u>\$ 28,152,527</u> | <u>\$ 27,367,535</u> |
|                    |           |                      | <u>\$ 784,992</u>    |

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Sequatchie 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%           | Current       | 1%             |
|-------------------------------|--------------|---------------|----------------|
|                               | Decrease     | Discount Rate | Increase       |
| Sequatchie County             | 5.75%        | 6.75%         | 7.75%          |
| Net Pension Liability (Asset) | \$ 4,641,670 | \$ 784,992    | \$ (2,374,990) |

***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, Sequatchie County recognized pension expense (negative pension expense) of \$860,702.

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

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and<br>Actual Experience                     | \$ 524,105                              | \$ 43,557                              |
| Net Difference Between Projected and<br>Actual Earnings on Pension Plan  |   |  |
| Investments  | 196,370                                 | 0                                      |
| Changes in Assumptions   | 857,999                                 | 0                                      |
| Contributions Subsequent to the<br>Measurement Date of June 30, 2023 (1) | 606,138                                 | N/A                                    |
| Total  | \$ 2,184,612                            | \$ 43,557                              |

(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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 1,283,387                         | \$ 25,568                           |
| School Department  | <u>901,225</u>                       | <u>17,989</u>                       |
| Total              | <u><u>\$ 2,184,612</u></u>           | <u><u>\$ 43,557</u></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<br>June 30 | Amount     |
|------------------------|------------|
| 2025                   | \$ 391,820 |
| 2026                   | 337,570    |
| 2027                   | 696,247    |
| 2028                   | 109,275    |
| 2029                   | 0          |
| Thereafter             | 0          |

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

***Payable to the Pension Plan***

On June 30, 2024, Sequatchie County reported a payable of \$10,174 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

**Discretely Presented Sequatchie County School Department - Non-certified Employees**

***General Information About the Pension Plan***

*Plan Description.* As noted above under the primary government, employees of Sequatchie County and non-certified employees of the discretely presented Sequatchie 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 58.7 percent and the non-certified employees of the discretely presented school department comprise 41.3 percent of the plan based on contribution data.

## **Discretely Presented Sequatchie County School Department - Certified Employees - Teacher Retirement Plan**

### ***General Information About the Pension Plan***

*Plan Description.* Teachers of the Sequatchie 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 \$116,994, which is 2.95 percent of covered payroll. In addition, employer contributions of \$39,578, 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, 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 (\$74,575) 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 0.175870 percent. The proportion as of June 30, 2022, was 0.158527 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2024, the Sequatchie County School Department recognized pension expense (negative pension expense) of \$96,329.

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

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and<br>Actual Experience                       | \$ 2,512                                | \$ 43,528                              |
| Net Difference Between Projected and<br>Actual Earnings on Pension Plan    |   |  |
| Investments  | 18,960                                  | 0                                      |
| Changes in Assumptions   | 56,106                                  | 0                                      |
| Changes in Proportion of Net Pension<br>Liability (Asset)                  | 23,439                                  | 15,793                                 |
| LEA's Contributions Subsequent to the<br>Measurement Date of June 30, 2023 | <u>116,994</u>                          | N/A                                    |
| <br>Total  | <br><u>\$ 218,011</u>                   | <br><u>\$ 59,321</u>                   |

The school department's employer contributions of \$116,994, 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<br>June 30 | Amount   |
|------------------------|----------|
| 2025                   | \$ 1,601 |
| 2026                   | (1,158)  |
| 2027                   | 28,090   |
| 2028                   | 3,293    |
| 2029                   | 3,408    |
| Thereafter             | 6,463    |

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

*Actuarial Assumptions.* The total pension liability as of the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions, used in the June 30, 2023, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

| Asset Class           | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>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                 |   | <u>100 %</u>                        |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Sequatchie 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:

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

Net Pension Liability (Asset)      \$ 343,040      \$ (74,575)      \$ (375,223)

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

### ***Payable to the Pension Plan***

On June 30, 2024, the Sequatchie County School Department reported a payable of \$6,620 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

### ***Discretely Presented Sequatchie County School Department – Certified Employees - Teacher Legacy Pension Plan***

#### ***General Information About the Pension Plan***

*Plan Description.* Teachers of the Sequatchie 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 Sequatchie County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$442,083, 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 (\$2,442,572) 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 0.207178 percent. The proportion measured as of June 30, 2022, was 0.207905 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$622,218.

*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<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|---------------------------------------|---|--|
| Difference Between Expected and       |   |  |
| Actual Experience                     | \$ 581,945                              | \$ 113,352                             |
| Changes in Assumptions                | 795,857                                 | 0                                      |
| Net Difference Between Projected and  |   |  |
| Actual Earnings on Pension Plan       |   |  |
| Investments                           | 423,799                                 | 0                                      |
| Changes in Proportion of Net Pension  |   |  |
| Liability (Asset)                     | 29,574                                  | 6,919                                  |
| LEA's Contributions Subsequent to the |   |  |
| Measurement Date of June 30, 2023     | <u>442,083</u>                          | N/A                                    |
| <br>Total                             | <br><u>\$ 2,273,258</u>                 | <br><u>\$ 120,271</u>                  |

The school department's employer contributions of \$442,083 reported 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<br>June 30 | Amount     |
|------------------------|------------|
| 2025                   | \$ 583,891 |
| 2026                   | (325,434)  |
| 2027                   | 1,449,128  |
| 2028                   | 3,320      |
| 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 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%<br>to 3.44% Based on Age, Including<br>Inflation, Averaging 4% |
| Investment Rate of Return | 6.75%, Net of Pension Plan<br>Investment Expenses, Including<br>Inflation                      |
| Cost of Living Adjustment | 2.125%   |

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

The actuarial assumptions, used in the June 30, 2023, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

| Asset Class           | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>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                                   |
| <br>Total             | <br><hr/>   | <br><hr/>                           |
|                       | 100   | %                                   |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Sequatchie 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:

| School Department's<br>Proportionate Share of<br>the Net Pension<br>Liability (Asset) | 1%<br>Decrease<br>5.75% | Current<br>Discount<br>Rate<br>6.75% | 1%<br>Increase<br>7.75% |
|---|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability (Asset)   | \$ 5,320,093            | \$ (2,442,572)                       | \$ (8,898,921)          |

*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

### Discretely Presented Sequatchie County School Department

The school department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding the program are the responsibility of plan participants. The 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

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 \$194,041 and teachers contributed \$129,432 to this deferred compensation pension plan.

## F. Other Postemployment Benefits (OPEB)

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

### OPEB Provided through State Administered Public Entity Risk Pools

#### Primary Government

Retirees of Sequatchie County and the Sequatchie County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes.

The county's total OPEB liability for each 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 each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |   |
|-----------------------------|---|
| Actuarial Cost Method       | Entry Age Normal  |
| Inflation                   | 2.25%   |
| Salary Increases            | Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation  |
| Discount Rate               | 3.65%   |
| 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 an 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 an average rating of AA/Aa as shown on the Bond Buyers 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, 2022, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-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 increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2023 plan year was revised from 8.37 percent to 10.31 percent.

## Local Government OPEB Plans (Primary Government)

*Plan Description.* Employees of Sequatchie County who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Government Plans (LGPs) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGPs. These plans are closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits provided.* Sequatchie County offers the LGPs to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGPs upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA 8-27-701* establishes and amends the benefit terms of the LGPs. 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 LGPs, 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 the retiree premiums. Sequatchie County does not provide a direct subsidy and is only subject to the implicit subsidy.

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

|  | Sequatchie<br>County | Hwy<br>Dept | Total     |
|--|----------------------|-------------|-----------|
| Inactive Employees Currently Receiving<br>Benefit Payments               | 0                    | 0           | 0         |
| Inactive Employees Entitled to But Not Yet<br>Receiving Benefit Payments | 0                    | 0           | 0         |
| Active Employees Eligible for Benefits                                   | 75                   | 19          | 94        |
| <b>Total</b>   | <b>75</b>            | <b>19</b>   | <b>94</b> |

An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments to the LGPs by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2023, the county paid \$440 (Sequatchie County - \$317, Highway Dept - \$123) to the LGPs for OPEB benefits as they came due.

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

|  | Sequatchie<br>County | Hwy<br>Dept. | Total OPEB<br>Liability |
|--|----------------------|--------------|-------------------------|
| Balance July 1, 2022                                       | \$ 61,344            | \$ 11,940    | \$ 73,284               |
| Changes for the Year:                                      |                      |              |                         |
| Service Cost   | \$ 7,623             | \$ 2,515     | \$ 10,138               |
| Interest   | 2,431                | 507          | 2,938                   |
| Difference between<br>Expected and Actuarial<br>Experience | 3,539                | (6,438)      | (2,899)                 |
| Changes in Assumption<br>and Other Inputs                  | 26,079               | 2,792        | 28,871                  |
| Benefit Payments   | (616)                | (290)        | (906)                   |
| Net Changes  | \$ 39,056            | \$ (914)     | \$ 38,142               |
| Balance June 30, 2023                                      | \$ 100,400           | \$ 11,026    | \$ 111,426              |

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the county recognized OPEB expense (negative OPEB expense) of \$2,786 (Sequatchie County - \$4,880, Highway Dept – (\$2,089)). On June 30, 2024, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Actual and<br>Expected Experience<br>(DO - County \$7,788<br>DI - County \$20,596, Hwy - \$9,484)                   | \$ 7,788                                | \$ 30,080                              |
| Changes of Assumptions<br>(DO - County \$30,600, Hwy \$2,494<br>DI - County \$39,744, Hwy - \$8,184)                                   | 33,094                                  | 47,928                                 |
| Net Difference Between Projected and<br>Benefits Paid after the Measurement Date<br>of June 30, 2023<br>(DO - County \$317, Hwy \$123) | 440                                     | 0                                      |
| Total  | \$ 41,322                               | \$ 78,008                              |

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<br>June 30 | County     | Hwy        | Total<br>Amount |
|------------------------|------------|------------|-----------------|
| 2025                   | \$ (5,174) | \$ (4,639) | \$ (9,813)      |
| 2026                   | (5,174)    | (4,009)    | (9,183)         |
| 2027                   | (5,174)    | (2,941)    | (8,115)         |
| 2028                   | (4,975)    | (1,823)    | (6,798)         |
| 2029                   | (3,469)    | (1,332)    | (4,801)         |
| Thereafter             | 2,014      | (430)      | 1,584           |

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

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

| <u>Discount Rate</u> | Current    |            |            |
|----------------------|------------|------------|------------|
|                      | 1%         | Discount   | 1%         |
|                      | Decrease   | Rate       | Increase   |
| Sequatchie County    | 2.65%      | 3.65%      | 4.65%      |
| County               | \$ 109,612 | \$ 100,400 | \$ 91,936  |
| Highway              | 12,048     | 11,026     | 10,123     |
| Total OPEB Liability | \$ 121,660 | \$ 111,426 | \$ 102,059 |

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

| <u>Healthcare Cost Trend Rate</u> | Current      |               |               |
|-----------------------------------|--------------|---------------|---------------|
|                                   | 1%           | Decrease      | 1%            |
|                                   | Rate         | Increase      |               |
| Sequatchie County                 | 9.31 to 3.5% | 10.31 to 4.5% | 11.31 to 5.5% |
| County                            | \$ 88,136    | \$ 100,400    | \$ 115,142    |
| Highway                           | 9,644        | 11,026        | 12,774        |
| Total OPEB Liability              | \$ 97,780    | \$ 111,426    | \$ 127,916    |

## Discretely Presented Sequatchie County School Department

The Sequatchie 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 Sequatchie County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

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%, 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 TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-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 Sequatchie 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 Sequatchie County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA 8-27-301* establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The school department does not provide a direct subsidy and is only subject to the implicit subsidy.

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

|   |     |
|---|-----|
| Inactive Employees Currently Receiving Benefit Payments               | 3   |
| Inactive Employees Entitled to But Not Yet Receiving Benefit Payments | 1   |
| Active Employees Eligible For Benefits                                | 178 |
| <hr/> Total   | 182 |

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 \$20,721 to the LEP for OPEB benefits as they came due.

*Changes in the Collective Total OPEB Liability*

|  | Share of Collective Liability                   |                         |                         |
|--|---|-------------------------|-------------------------|
|  | Sequatchie County<br>School Department<br>62.1% | State of<br>TN<br>37.9% | Total OPEB<br>Liability |
| Balance July 1, 2022                                       | \$ 1,553,303                                    | \$ 892,678              | \$ 2,445,981            |
| Changes for the Year:                                      |   |                         |                         |
| Service Cost   | \$ 90,204                                       | \$ 55,134               | \$ 145,338              |
| Interest   | 56,439  | 34,496                  | 90,935                  |
| Changes in Assumption<br>and Other Inputs                  | 134,358   | 82,123                  | 216,481                 |
| Changes in Proportions                                     | (35,212)  | 35,212                  | 0                       |
| Difference between<br>Expected and Actuarial<br>Experience | (134,339)                                       | (82,110)                | (216,449)               |
| Benefit Payments   | (28,215)  | (17,245)                | (45,460)                |
| Net Changes  | \$ 83,235                                       | \$ 107,610              | \$ 190,845              |
| Balance June 30, 2023                                      | \$ 1,636,538                                    | \$ 1,000,288            | \$ 2,636,826            |

The Sequatchie 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 Sequatchie 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 \$98,082 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Sequatchie County School Department's proportionate share of the collective OPEB liability was 62.1 percent and the State of Tennessee's share was 37.9 percent.

*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 \$233,997, 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<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and<br>Actual Experience   | \$ 89,621                               | \$ 336,245                             |
| Changes of Assumptions   | 424,409                                 | 185,624                                |
| Changes in Proportion and Differences Between<br>Amounts Paid as Benefits Came Due and<br>Proportionate Share Amounts Paid by the<br>Employer and Nonemployer Contributors |   |  |
| As Benefits Came Due   | 33,686                                  | 96,386                                 |
| Benefits Paid After the Measurement Date<br>of June 30, 2023   | <u>20,721</u>                           | 0                                      |
| <br>Total  | <br><u>\$ 568,437</u>                   | <br><u>\$ 618,255</u>                  |

The amount shown above of “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<br>June 30 | School<br>Department |
|------------------------|----------------------|
| 2025                   | \$ (10,728)          |
| 2026                   | (10,728)             |
| 2027                   | (10,728)             |
| 2028                   | (10,728)             |
| 2029                   | (6,083)              |
| Thereafter             | (21,544)             |

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> | Current  |          |          |
|----------------------|----------|----------|----------|
|                      | 1%       | Discount | 1%       |
|                      | Decrease | Rate     | Increase |
|                      | 2.65%    | 3.65%    | 4.65%    |

| Proportionate Share of the<br>Collective Total OPEB<br>Liability | \$ 1,766,025 | \$ 1,636,538 | \$ 1,513,356 |
|--|--------------|--------------|--------------|
|--|--------------|--------------|--------------|

*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%                                | Current       | 1%            |
| Decrease                          | Rate          | Increase      |
| 9.31 to 3.5%                      | 10.31 to 4.5% | 11.31 to 5.5% |

Proportionate Share of the  
Collective Total OPEB  
Liability \$ 1,447,923 \$ 1,636,538 \$ 1,857,019

## *G. Purchasing Laws*

## Office of County Executive

Purchasing procedures for the Office of County Executive are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be based on competitive bids solicited through newspaper advertisement.

## Office of Highway Supervisor

Purchasing procedures for this office are governed by Chapter 575, Private Acts of 1953, as amended, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes require all purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.

## Office of Director of Schools

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

## **REQUIRED SUPPLEMENTARY INFORMATION SECTION**

**SEQUATCHIE 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          |
|--|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|---------------|
| <b>Total Pension Liability</b>   |               |               |               |               |                |               |               |                |                |               |
| Service Cost   | \$ 509,663    | \$ 470,062    | \$ 497,247    | \$ 523,272    | \$ 554,208     | \$ 553,801    | \$ 564,853    | \$ 587,022     | \$ 686,523     | \$ 728,579    |
| Interest   | 1,130,481     | 1,174,815     | 1,210,639     | 1,252,640     | 1,339,910      | 1,402,723     | 1,508,251     | 1,572,108      | 1,695,368      | 1,783,074     |
| Differences Between Actual and Expected Experience                     | (263,725)     | (463,243)     | (428,040)     | 239,992       | (246,385)      | 374,386       | (217,781)     | 145,782        | 57,475         | 539,132       |
| Change in Assumptions  | 0             | 0             | 0             | 492,677       | 0              | 0             | 0             | 2,144,996      | 0              | 0             |
| Benefit Payments, Including Refunds of Employee Contributions          | (742,243)     | (749,150)     | (713,166)     | (778,546)     | (741,196)      | (820,688)     | (952,121)     | (1,041,279)    | (1,192,928)    | (1,171,193)   |
| Net Change in Total Pension Liability                                  | \$ 634,176    | \$ 432,484    | \$ 566,680    | \$ 1,730,035  | \$ 906,537     | \$ 1,510,222  | \$ 903,202    | \$ 3,408,629   | \$ 1,246,438   | \$ 1,879,592  |
| Total Pension Liability, Beginning                                     | \$ 14,934,532 | \$ 15,568,708 | \$ 16,001,192 | \$ 16,567,872 | \$ 18,297,907  | \$ 19,204,444 | \$ 20,714,666 | \$ 21,617,868  | \$ 25,026,497  | \$ 26,272,935 |
| Total Pension Liability, Ending (a)                                    | \$ 15,568,708 | \$ 16,001,192 | \$ 16,567,872 | \$ 18,297,907 | \$ 19,204,444  | \$ 20,714,666 | \$ 21,617,868 | \$ 25,026,497  | \$ 26,272,935  | \$ 28,152,527 |
| <b>Plan Fiduciary Net Position</b>                                     |               |               |               |               |                |               |               |                |                |               |
| Contributions - Employer   | \$ 483,083    | \$ 466,092    | \$ 483,877    | \$ 271,066    | \$ 274,377     | \$ 287,420    | \$ 269,192    | \$ 286,570     | \$ 289,092     | \$ 553,272    |
| Contributions - Employee   | 292,779       | 273,567       | 283,443       | 295,009       | 310,385        | 323,675       | 335,655       | 357,320        | 360,466        | 395,762       |
| Net Investment Income  | 2,304,821     | 500,357       | 445,307       | 1,938,017     | 1,560,490      | 1,500,740     | 1,059,265     | 5,680,663      | (1,040,864)    | 1,731,519     |
| Benefit Payments, Including Refunds of Employee Contributions          | (742,243)     | (749,150)     | (713,166)     | (778,546)     | (741,196)      | (820,688)     | (952,121)     | (1,041,279)    | (1,192,928)    | (1,171,193)   |
| Administrative Expense   | (9,355)       | (11,978)      | (17,982)      | (20,099)      | (22,881)       | (21,390)      | (21,846)      | (22,122)       | (24,448)       | (24,778)      |
| Other  | 0             | 0             | 19,910        | 414           | 0              | 0             | 0             | 0              | 0              | 0             |
| Net Change in Plan Fiduciary Net Position                              | \$ 2,329,085  | \$ 478,888    | \$ 501,389    | \$ 1,705,861  | \$ 1,381,175   | \$ 1,269,757  | \$ 690,145    | \$ 5,261,152   | \$ (1,608,682) | \$ 1,484,582  |
| Plan Fiduciary Net Position, Beginning                                 | \$ 13,874,183 | \$ 16,203,268 | \$ 16,682,156 | \$ 17,183,545 | \$ 18,889,406  | \$ 20,270,581 | \$ 21,540,338 | \$ 22,230,483  | \$ 27,491,635  | \$ 25,882,953 |
| Plan Fiduciary Net Position, Ending (b)                                | \$ 16,203,268 | \$ 16,682,156 | \$ 17,183,545 | \$ 18,889,406 | \$ 20,270,581  | \$ 21,540,338 | \$ 22,230,483 | \$ 27,491,635  | \$ 25,882,953  | \$ 27,367,535 |
| Net Pension Liability (Asset), Ending (a - b)                          | \$ (634,560)  | \$ (680,964)  | \$ (615,673)  | \$ (591,499)  | \$ (1,066,137) | \$ (825,672)  | \$ (612,615)  | \$ (2,465,138) | \$ 389,982     | \$ 784,992    |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 104.08%       | 104.26%       | 103.72%       | 103.23%       | 105.55%        | 103.99%       | 102.83%       | 109.85%        | 98.52%         | 97.21%        |
| Covered Payroll  | \$ 5,855,543  | \$ 5,457,539  | \$ 5,669,056  | \$ 5,900,106  | \$ 6,207,616   | \$ 6,473,425  | \$ 6,713,000  | \$ 7,146,343   | \$ 7,209,267   | \$ 7,915,182  |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll       | (10.84)%      | (12.48)%      | (10.86)%      | (10.03)%      | (17.17)%       | (12.75)%      | (9.13)%       | (34.50)%       | 5.41%          | 9.92%         |

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

**SEQUATCHIE 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   | \$ 466,092   | \$ 483,877   | \$ 271,066   | \$ 274,377   | \$ 287,420   | \$ 269,192   | \$ 286,570   | \$ 289,092   | \$ 553,272   | \$ 606,138   |
| Less: Contributions in Relation to the<br>Actuarially Determined Contribution | (466,092)    | (483,877)    | (271,066)    | (274,377)    | (287,420)    | (269,192)    | (286,570)    | (289,092)    | (553,272)    | (606,138)    |
| Contribution Deficiency (Excess)  | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         |
| Covered Payroll   | \$ 5,457,539 | \$ 5,669,056 | \$ 5,900,106 | \$ 6,207,616 | \$ 6,473,425 | \$ 6,713,000 | \$ 7,146,343 | \$ 7,209,267 | \$ 7,915,182 | \$ 8,671,456 |
| Contributions as a Percentage of<br>Covered Payroll                           | 8.54%        | 8.54%        | 4.59%        | 4.42%        | 4.44%        | 4.01%        | 4.01%        | 4.01%        | 6.99%        | 6.99%        |

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.

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

Discretely Presented Sequatchie County School Department

**For the Fiscal Year Ended June 30**

|  | <b>2015</b> | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024</b>  |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution  | \$ 27,983   | \$ 45,541    | \$ 65,840    | \$ 65,543    | \$ 36,174    | \$ 39,787    | \$ 42,797    | \$ 54,414    | \$ 100,396   | \$ 116,994   |
| Less: Contributions in Relation to the Contractually Required Contribution | (27,983)    | (45,541)     | (65,840)     | (65,543)     | (36,174)     | (39,787)     | (42,797)     | (54,414)     | (100,396)    | (116,994)    |
| Contribution Deficiency (Excess)   | \$ 0        | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         |
| Covered Payroll  | \$ 699,581  | \$ 1,138,530 | \$ 1,623,494 | \$ 1,638,562 | \$ 1,864,633 | \$ 1,959,910 | \$ 2,118,645 | \$ 2,707,165 | \$ 3,498,128 | \$ 3,965,904 |
| Contributions as a Percentage of Covered Payroll                           | 4.00%       | 4.00%        | 4.06%        | 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

**SEQUATCHIE COUNTY, TENNESSEE**

**Schedule of Contributions Based on Participation in the Teacher**

**Legacy Pension Plan of TCRS**

Discretely Presented Sequatchie County School Department

**For the Fiscal Year Ended June 30**

|   | <b>2015</b>      | <b>2016</b>      | <b>2017</b>      | <b>2018</b>      | <b>2019</b>      | <b>2020</b>      | <b>2021</b>      | <b>2022</b>      | <b>2023</b>      | <b>2024</b>      |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution                                       | \$ 673,852       | \$ 642,168       | \$ 617,492       | \$ 623,699       | \$ 720,489       | \$ 728,657       | \$ 708,270       | \$ 704,728       | \$ 584,230       | \$ 442,083       |
| Less Contributions in Relation to the Contractually Required Contribution | <u>(673,852)</u> | <u>(642,168)</u> | <u>(617,492)</u> | <u>(623,699)</u> | <u>(720,489)</u> | <u>(728,657)</u> | <u>(708,270)</u> | <u>(704,728)</u> | <u>(584,230)</u> | <u>(442,083)</u> |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>      |
| Covered Payroll   | \$ 7,454,118     | \$ 7,103,626     | \$ 6,853,163     | \$ 6,868,944     | \$ 6,892,781     | \$ 6,850,057     | \$ 6,896,491     | \$ 6,859,737     | \$ 6,674,105     | \$ 6,491,666     |
| Contributions as a Percentage of Covered Payroll                          | 9.04%            | 9.04%            | 9.01%            | 9.08%            | 10.45%           | 10.64%           | 10.27%           | 10.27%           | 8.75%            | 6.81%            |

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Proportionate Share of the Net Pension Liability (Asset)****in the Teacher Retirement Plan of TCRS**

Discretely Presented Sequatchie 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)   | 0.329755%   | 0.258754%    | 0.250784%    | 0.187505%    | 0.176207%    | 0.155313%    | 0.146800%    | 0.158527%    | 0.175870%    |
| School Department's Proportionate Share of the Net Pension Liability (Asset)  | \$ (13,546) | \$ (26,937)  | \$ (66,166)  | \$ (85,039)  | \$ (99,466)  | \$ (88,317)  | \$ (159,016) | \$ (48,022)  | \$ (74,575)  |
| Covered Payroll   | \$ 699,581  | \$ 1,138,530 | \$ 1,623,494 | \$ 1,638,562 | \$ 1,864,633 | \$ 1,959,910 | \$ 2,118,645 | \$ 2,707,165 | \$ 3,498,128 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (1.94)%     | (2.37)%      | (4.08)%      | (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.

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Legacy Pension Plan of TCRS**

Discretely Presented Sequatchie 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)   | .197918%     | .199121%     | .196788%     | 0.193232%    | 0.196161%    | 0.205420%      | 0.205955%      | 0.210120%      | 0.207905%      | 0.207178%      |
| School Department's Proportionate Share of the Net Pension Liability (Asset)  | \$ (32,161)  | \$ 81,567    | \$ 1,229,813 | \$ (63,224)  | \$ (690,276) | \$ (2,112,091) | \$ (1,570,561) | \$ (9,062,973) | \$ (2,549,754) | \$ (2,442,572) |
| Covered Payroll   | \$ 7,768,270 | \$ 7,454,118 | \$ 7,103,626 | \$ 6,853,163 | \$ 6,868,944 | \$ 6,892,781   | \$ 6,850,057   | \$ 6,896,491   | \$ 6,859,737   | \$ 6,674,105   |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (.41)%       | 1.09%        | 17.31%       | (.92)%       | (10.05)%     | (30.64)%       | (22.93)%       | (131.41)%      | (37.17)%       | (36.60)%       |
| 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%        |

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans**  
Primary Government  
**For the Fiscal Year Ended June 30****Sequatchie County Plan**

|  | 2017      | 2018        | 2019      | 2020      | 2021        | 2022        | 2023       |
|--|-----------|-------------|-----------|-----------|-------------|-------------|------------|
| <b>Total OPEB Liability</b>                        |           |             |           |           |             |             |            |
| Service Cost                                       | \$ 7,015  | \$ 6,663    | \$ 6,454  | \$ 7,923  | \$ 12,567   | \$ 9,892    | \$ 7,623   |
| Interest   | 2,499     | 3,173       | 2,544     | 2,794     | 2,215       | 1,821       | 2,431      |
| Differences Between Actual and Expected Experience | 0         | (30,978)    | (5,134)   | (2,597)   | (5,594)     | 6,073       | 3,539      |
| Changes in Assumptions or Other Inputs             | (5,240)   | 2,975       | 4,248     | 8,234     | (22,016)    | (30,670)    | 26,079     |
| Benefit Payments                                   | 0         | (741)       | (233)     | (251)     | (471)       | (380)       | (616)      |
| Net Change in Total OPEB Liability                 | \$ 4,274  | \$ (18,908) | \$ 7,879  | \$ 16,103 | \$ (13,299) | \$ (13,264) | \$ 39,056  |
| Total OPEB Liability, Beginning                    | 78,559    | 82,833      | 63,925    | 71,804    | 87,907      | 74,608      | 61,344     |
| Total OPEB Liability, Ending                       | \$ 82,833 | \$ 63,925   | \$ 71,804 | \$ 87,907 | \$ 74,608   | \$ 61,344   | \$ 100,400 |

Covered Employee Payroll \$ 3,128,539 \$ 3,151,965 \$ 3,295,030 \$ 3,532,766 \$ 3,630,414 \$ 3,878,285 \$ 4,308,811  
Net OPEB Liability as a Percentage of Covered Employee Payroll 2.65% 2.03% 2.18% 2.49% 2.06% 1.58% 2.33%

**Highway Department Plan**

|  | 2017      | 2018      | 2019        | 2020      | 2021       | 2022       | 2023      |
|--|-----------|-----------|-------------|-----------|------------|------------|-----------|
| <b>Total OPEB Liability</b>                        |           |           |             |           |            |            |           |
| Service Cost                                       | \$ 3,419  | \$ 3,275  | \$ 4,405    | \$ 4,220  | \$ 5,303   | \$ 4,443   | \$ 2,515  |
| Interest   | 1,025     | 1,361     | 1,772       | 952       | 614        | 437        | 507       |
| Differences Between Actual and Expected Experience | 0         | 4,914     | (24,864)    | (5,695)   | (3,451)    | (2,403)    | (6,438)   |
| Changes in Assumptions or Other Inputs             | (736)     | 3,760     | 753         | 861       | (8,597)    | (6,115)    | 2,792     |
| Benefit Payments                                   | 0         | (898)     | (6,563)     | (803)     | (713)      | (425)      | (290)     |
| Net Change in Total OPEB Liability                 | \$ 3,708  | \$ 12,412 | \$ (24,497) | \$ (465)  | \$ (6,844) | \$ (4,063) | \$ (914)  |
| Total OPEB Liability, Beginning                    | 31,689    | 35,397    | 47,809      | 23,312    | 22,847     | 16,003     | 11,940    |
| Total OPEB Liability, Ending                       | \$ 35,397 | \$ 47,809 | \$ 23,312   | \$ 22,847 | \$ 16,003  | \$ 11,940  | \$ 11,026 |

Covered Employee Payroll \$ 568,797 \$ 607,415 \$ 706,372 \$ 806,395 \$ 802,079 \$ 823,020 \$ 795,909  
Net OPEB Liability as a Percentage of Covered Employee Payroll 6.22% 7.87% 3.30% 2.83% 2.00% 1.45% 1.39%

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.

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan**

Discretely Presented Sequatchie County School Department

**For the Fiscal Year Ended June 30**

|   | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>   |                     |                     |                     |                     |                     |                     |                     |
| Service Cost  | \$ 127,402          | \$ 117,969          | \$ 103,098          | \$ 104,559          | \$ 137,327          | \$ 180,923          | \$ 145,338          |
| Interest  | 56,423              | 68,543              | 56,402              | 63,472              | 47,621              | 59,062              | 90,935              |
| Differences Between Actual and Expected Experience                              | 0                   | (517,198)           | 289,378             | (31,925)            | (76,944)            | (55,561)            | (216,449)           |
| Changes in Assumptions or Other Inputs  | (94,345)            | 60,531              | (135,822)           | 237,452             | 495,847             | (257,283)           | 216,481             |
| Benefit Payments  | (84,415)            | (89,586)            | (75,602)            | (52,696)            | (66,930)            | (68,834)            | (45,460)            |
| Net Change in Total OPEB Liability  | \$ 5,065            | \$ (359,741)        | \$ 237,454          | \$ 320,862          | \$ 536,921          | \$ (141,693)        | \$ 190,845          |
| Total OPEB Liability, Beginning   | 1,847,113           | 1,852,178           | 1,492,437           | 1,729,891           | 2,050,753           | 2,587,674           | 2,445,981           |
| Total OPEB Liability, Ending  | <u>\$ 1,852,178</u> | <u>\$ 1,492,437</u> | <u>\$ 1,729,891</u> | <u>\$ 2,050,753</u> | <u>\$ 2,587,674</u> | <u>\$ 2,445,981</u> | <u>\$ 2,636,826</u> |
| Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability | \$ 646,464          | \$ 499,146          | \$ 616,945          | \$ 689,377          | \$ 907,380          | \$ 892,678          | \$ 1,000,288        |
| Employer Proportionate Share of the Total OPEB Liability                        | 1,205,714           | 993,291             | 1,112,946           | 1,361,376           | 1,680,294           | 1,553,303           | 1,636,538           |
| Covered Employee Payroll  | \$ 11,063,052       | \$ 13,350,875       | \$ 13,390,649       | \$ 11,734,841       | \$ 12,300,436       | \$ 13,328,219       | \$ 14,013,151       |
| Net OPEB Liability as a Percentage of Covered Employee Payroll                  | 16.71%              | 11.18%              | 12.92%              | 17.48%              | 21.04%              | 18.35%              | 18.82%              |

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.

**SEQUATCHIE 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.

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

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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*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.

## DEBT SERVICE FUNDS

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*Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.*

**General Debt Service Fund** – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

## 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 general capital expenditures of the county.

**SEQUATCHIE COUNTY, TENNESSEE****Combining Balance Sheet**

Nonmajor Governmental Funds

**June 30, 2024**

|  | Special Revenue Funds |  |                  | Debt Service Fund          | Capital Projects Fund          | Total<br>Nonmajor<br>Governmental<br>Funds |  |
|--|-----------------------|--|------------------|----------------------------|--------------------------------|--|--|
|  | Drug<br>Control       | Constitu -<br>tional<br>Officers -<br>Fees |                  | General<br>Debt<br>Service | General<br>Capital<br>Projects |  |  |
|  |                       |  | Total            |                            |                                |  |  |
| <b>ASSETS</b>  |                       |  |                  |                            |                                |  |  |
| Cash   | \$ 0                  | \$ 1,474                                   | \$ 1,474         | \$ 0                       | \$ 0                           | \$ 1,474                                   |  |
| Equity in Pooled Cash and Investments                                      | 81,585                | 0  | 81,585           | 564,602                    | 266,666                        | 912,853                                    |  |
| Accounts Receivable  | 0                     | 3,302                                      | 3,302            | 8,487                      | 0                              | 11,789                                     |  |
| Property Taxes Receivable  | 0                     | 0  | 0                | 313,147                    | 361,691                        | 674,838                                    |  |
| Allowance for Uncollectible Property Taxes                                 | 0                     | 0  | 0                | (12,276)                   | (15,790)                       | (28,066)                                   |  |
| <b>Total Assets</b>  | <b>\$ 81,585</b>      | <b>\$ 4,776</b>                            | <b>\$ 86,361</b> | <b>\$ 873,960</b>          | <b>\$ 612,567</b>              | <b>\$ 1,572,888</b>                        |  |
| <b>LIABILITIES</b>   |                       |  |                  |                            |                                |  |  |
| Due to Other Funds   | \$ 0                  | \$ 4,776                                   | \$ 4,776         | \$ 0                       | \$ 0                           | \$ 4,776                                   |  |
| <b>Total Liabilities</b>   | <b>\$ 0</b>           | <b>\$ 4,776</b>                            | <b>\$ 4,776</b>  | <b>\$ 0</b>                | <b>\$ 0</b>                    | <b>\$ 4,776</b>                            |  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                       |  |                  |                            |                                |  |  |
| Deferred Current Property Taxes  | \$ 0                  | \$ 0                                       | \$ 0             | \$ 291,486                 | \$ 336,948                     | \$ 628,434                                 |  |
| Deferred Delinquent Property Taxes   | 0                     | 0  | 0                | 8,867                      | 8,148                          | 17,015                                     |  |
| <b>Total Deferred Inflows of Resources</b>                                 | <b>\$ 0</b>           | <b>\$ 0</b>                                | <b>\$ 0</b>      | <b>\$ 300,353</b>          | <b>\$ 345,096</b>              | <b>\$ 645,449</b>                          |  |
| <b>FUND BALANCES</b>   |                       |  |                  |                            |                                |  |  |
| Restricted:  |                       |  |                  |                            |                                |  |  |
| Restricted for Public Safety   | \$ 81,585             | \$ 0                                       | \$ 81,585        | \$ 0                       | \$ 0                           | \$ 81,585                                  |  |
| Restricted for Capital Outlay  | 0                     | 0  | 0                | 0                          | 267,471                        | 267,471                                    |  |
| Restricted for Debt Service  | \$ 0                  | \$ 0                                       | \$ 0             | \$ 573,607                 | \$ 0                           | \$ 573,607                                 |  |
| <b>Total Fund Balances</b>   | <b>\$ 81,585</b>      | <b>\$ 0</b>                                | <b>\$ 81,585</b> | <b>\$ 573,607</b>          | <b>\$ 267,471</b>              | <b>\$ 922,663</b>                          |  |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 81,585</b>      | <b>\$ 4,776</b>                            | <b>\$ 86,361</b> | <b>\$ 873,960</b>          | <b>\$ 612,567</b>              | <b>\$ 1,572,888</b>                        |  |

Exhibit F-2

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

|  | Special<br>Revenue<br>Fund | Debt Service<br>Fund       | Capital<br>Projects Fund       | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|----------------------------|----------------------------|--------------------------------|--|
|  | Drug<br>Control            | General<br>Debt<br>Service | General<br>Capital<br>Projects |  |
|  |                            |                            |                                |  |
| <b>Revenues</b>                                      |                            |                            |                                |  |
| Local Taxes  | \$ 0                       | \$ 306,964                 | \$ 339,599                     | \$ 646,563                                 |
| Fines, Forfeitures, and Penalties                    | 7,055                      | 0                          | 0                              | 7,055                                      |
| Other Local Revenues                                 | 12,350                     | 95,572                     | 0                              | 107,922                                    |
| State of Tennessee                                   | 0                          | 13,009                     | 14,905                         | 27,914                                     |
| <b>Total Revenues</b>                                | <b>\$ 19,405</b>           | <b>\$ 415,545</b>          | <b>\$ 354,504</b>              | <b>\$ 789,454</b>                          |
| <b>Expenditures</b>                                  |                            |                            |                                |  |
| Current:   |                            |                            |                                |  |
| General Government                                   | \$ 0                       | \$ 0                       | \$ 69,419                      | \$ 69,419                                  |
| Public Safety  | 107,137                    | 0                          | 0                              | 107,137                                    |
| Debt Service:  |                            |                            |                                |  |
| Principal on Debt                                    | 0                          | 272,000                    | 0                              | 272,000                                    |
| Interest on Debt                                     | 0                          | 98,055                     | 0                              | 98,055                                     |
| Other Debt Service                                   | 0                          | 26,326                     | 0                              | 26,326                                     |
| Capital Projects                                     | 0                          | 0                          | 30,689                         | 30,689                                     |
| <b>Total Expenditures</b>                            | <b>\$ 107,137</b>          | <b>\$ 396,381</b>          | <b>\$ 100,108</b>              | <b>\$ 603,626</b>                          |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <b>\$ (87,732)</b>         | <b>\$ 19,164</b>           | <b>\$ 254,396</b>              | <b>\$ 185,828</b>                          |
| Net Change in Fund Balances                          | <b>\$ (87,732)</b>         | <b>\$ 19,164</b>           | <b>\$ 254,396</b>              | <b>\$ 185,828</b>                          |
| Fund Balance, July 1, 2023                           | <b>\$ 169,317</b>          | <b>\$ 554,443</b>          | <b>\$ 13,075</b>               | <b>\$ 736,835</b>                          |
| Fund Balance, June 30, 2024                          | <b>\$ 81,585</b>           | <b>\$ 573,607</b>          | <b>\$ 267,471</b>              | <b>\$ 922,663</b>                          |

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

|  | <b>Actual</b> | <b>Budgeted Amounts</b> |              | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|--|---------------|-------------------------|--------------|---|
|  |               | <b>Original</b>         | <b>Final</b> |   |
| <b>Revenues</b>                                      |               |                         |              |   |
| Fines, Forfeitures, and Penalties                    | \$ 7,055      | \$ 30,000               | \$ 30,000    | \$ (22,945)   |
| Other Local Revenues                                 | 12,350        | 0                       | 0            | 12,350  |
| Total Revenues                                       | \$ 19,405     | \$ 30,000               | \$ 30,000    | \$ (10,595)   |
| <b>Expenditures</b>                                  |               |                         |              |   |
| Public Safety  |               |                         |              |   |
| Drug Enforcement                                     | \$ 107,137    | \$ 33,000               | \$ 103,000   | \$ (4,137)  |
| Total Expenditures                                   | \$ 107,137    | \$ 33,000               | \$ 103,000   | \$ (4,137)  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (87,732)   | \$ (3,000)              | \$ (73,000)  | \$ (14,732)   |
| Net Change in Fund Balance                           |               |                         |              |   |
| Fund Balance, July 1, 2023                           | \$ 169,317    | 165,265                 | 165,265      | 4,052   |
| Fund Balance, June 30, 2024                          | \$ 81,585     | \$ 162,265              | \$ 92,265    | \$ (10,680)   |

**SEQUATCHIE 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**

|                                       | <b>Actual</b> | <b>Budgeted Amounts</b> |              | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|---------------------------------------|---------------|-------------------------|--------------|---|
|                                       |               | <b>Original</b>         | <b>Final</b> |   |
| <b>Revenues</b>                       |               |                         |              |   |
| Local Taxes                           | \$ 306,964    | \$ 314,488              | \$ 314,488   | \$ (7,524)  |
| Other Local Revenues                  | 95,572        | 30,000                  | 30,000       | 65,572  |
| State of Tennessee                    | 13,009        | 14,000                  | 14,000       | (991)   |
| Total Revenues                        | \$ 415,545    | \$ 358,488              | \$ 358,488   | \$ 57,057   |
| <b>Expenditures</b>                   |               |                         |              |   |
| Principal on Debt                     |               |                         |              |   |
| General Government                    | \$ 272,000    | \$ 275,000              | \$ 275,000   | \$ 3,000  |
| Interest on Debt                      |               |                         |              |   |
| General Government                    | 98,055        | 92,000                  | 95,418       | (2,637)   |
| Other Debt Service                    |               |                         |              |   |
| General Government                    | 26,326        | 8,000                   | 27,082       | 756   |
| Total Expenditures                    | \$ 396,381    | \$ 375,000              | \$ 397,500   | \$ 1,119  |
| Excess (Deficiency) of Revenues       |               |                         |              |   |
| Over Expenditures                     | \$ 19,164     | \$ (16,512)             | \$ (39,012)  | \$ 58,176   |
| <b>Other Financing Sources (Uses)</b> |               |                         |              |   |
| City General Fund Transfer            | \$ 0          | \$ 10,000               | \$ 10,000    | \$ (10,000)   |
| Total Other Financing Sources         | \$ 0          | \$ 10,000               | \$ 10,000    | \$ (10,000)   |
| Net Change in Fund Balance            |               |                         |              |   |
| Fund Balance, July 1, 2023            | \$ 554,443    | \$ 538,262              | \$ 538,262   | \$ 16,181   |
| Fund Balance, June 30, 2024           | \$ 573,607    | \$ 531,750              | \$ 509,250   | \$ 64,357   |

**SEQUATCHIE 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**

|  | <b>Actual</b> | <b>Budgeted Amounts</b> |              | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|--|---------------|-------------------------|--------------|---|
|  |               | <b>Original</b>         | <b>Final</b> |   |
| <b>Revenues</b>  |               |                         |              |   |
| Local Taxes  | \$ 339,599    | \$ 329,022              | \$ 329,022   | \$ 10,577   |
| State of Tennessee                                       | 14,905        | 3,000                   | 3,000        | 11,905  |
| Total Revenues   | \$ 354,504    | \$ 332,022              | \$ 332,022   | \$ 22,482   |
| <b>Expenditures</b>                                      |               |                         |              |   |
| General Government                                       |               |                         |              |   |
| County Buildings   | \$ 69,419     | \$ 0                    | \$ 69,419    | \$ 0  |
| Capital Projects   |               |                         |              |   |
| Public Utility Projects                                  | 30,689        | 12,000                  | 28,798       | (1,891)   |
| Total Expenditures                                       | \$ 100,108    | \$ 12,000               | \$ 98,217    | \$ (1,891)  |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ 254,396    | \$ 320,022              | \$ 233,805   | \$ 20,591   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2023 | \$ 254,396    | \$ 320,022              | \$ 233,805   | \$ 20,591   |
|  | 13,075        | 0                       | 0            | 13,075  |
| Fund Balance, June 30, 2024                              | \$ 267,471    | \$ 320,022              | \$ 233,805   | \$ 33,666   |

## CUSTODIAL FUNDS

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

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

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

Exhibit G-1

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

|  | <b>Custodial Funds</b> |                   |                   |       |
|--|------------------------|-------------------|-------------------|-------|
|  | Cities -               | Constitu -        | tional            |       |
|  | Sales                  | Officers -        | Custodial         | Total |
|  | Tax                    |                   |                   |       |
| <b>ASSETS</b>  |                        |                   |                   |       |
| Cash   | \$ 0                   | \$ 385,354        | \$ 385,354        |       |
| Due from Other Governments                                       | 320,744                | 0                 | 320,744           |       |
| <b>Total Assets</b>  | <b>\$ 320,744</b>      | <b>\$ 385,354</b> | <b>\$ 706,098</b> |       |
| <b>LIABILITIES</b>   |                        |                   |                   |       |
| Due to Other Taxing Units  | \$ 320,744             | \$ 0              | \$ 320,744        |       |
| <b>Total Liabilities</b>   | <b>\$ 320,744</b>      | <b>\$ 0</b>       | <b>\$ 320,744</b> |       |
| <b>NET POSITION</b>  |                        |                   |                   |       |
| Restricted for Individuals, Organizations, and Other Governments | \$ 0                   | \$ 385,354        | \$ 385,354        |       |
| <b>Total Net Position</b>  | <b>\$ 0</b>            | <b>\$ 385,354</b> | <b>\$ 385,354</b> |       |

Exhibit G-2

**SEQUATCHIE COUNTY, TENNESSEE**  
**Combining Statement of Changes in Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2024**

|  |  | <b>Custodial Funds</b> |                     |                     |       |
|--|--|------------------------|---------------------|---------------------|-------|
|  |  | Cities -               | Constitu -          |                     |       |
|  |  | Sales                  | tional              | Officers -          |       |
|  |  | Tax                    |                     | Custodial           | Total |
| <b>Additions</b>                                       |  |                        |                     |                     |       |
| Sales Tax Collections for Other Governments            |  | \$ 1,739,331           | \$ 0                | \$ 1,739,331        |       |
| Fines/Fees and Other Collections                       |  | 0                      | 5,354,720           | 5,354,720           |       |
| <b>Total Additions</b>                                 |  | <b>\$ 1,739,331</b>    | <b>\$ 5,354,720</b> | <b>\$ 7,094,051</b> |       |
| <b>Deductions</b>                                      |  |                        |                     |                     |       |
| Payment of Sales Tax Collections for Other Governments |  | \$ 1,739,331           | \$ 0                | \$ 1,739,331        |       |
| Payments to State                                      |  | 0                      | 2,928,615           | 2,928,615           |       |
| Payments to County/City                                |  | 0                      | 607,940             | 607,940             |       |
| Payments to Individuals and Others                     |  | 0                      | 1,726,993           | 1,726,993           |       |
| <b>Total Deductions</b>                                |  | <b>\$ 1,739,331</b>    | <b>\$ 5,263,548</b> | <b>\$ 7,002,879</b> |       |
| Change in Net Position                                 |  | \$ 0                   | \$ 91,172           | \$ 91,172           |       |
| Net Position July 1, 2023                              |  | 0                      | 294,182             | 294,182             |       |
| <b>Net Position June 30, 2024</b>                      |  | <b>\$ 0</b>            | <b>\$ 385,354</b>   | <b>\$ 385,354</b>   |       |

# SEQUATCHIE COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

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

Exhibit H-1

**SEQUATCHIE COUNTY, TENNESSEE**

**Statement of Activities**

Discretely Presented Sequatchie County School Department

**For the Year Ended June 30, 2024**

| <b>Functions/Programs</b>                                    | <b>Program Revenues</b>             |                                     |                      | <b>Net (Expense)<br/>Revenue and<br/>Changes in<br/>Net Position</b> |
|--|-------------------------------------|-------------------------------------|----------------------|--|
|  | <b>Charges<br/>for<br/>Services</b> | <b>Operating<br/>Grants<br/>and</b> | <b>Contributions</b> |  |
|  | <b>Expenses</b>                     |                                     |                      |  |
| Governmental Activities:                                     |                                     |                                     |                      |  |
| Instruction  | \$ 15,650,607                       | \$ 36,389                           | \$ 5,574,737         | \$ (10,039,481)  |
| Support Services   | 7,588,369                           | 10,000                              | 0                    | (7,578,369)  |
| Operation of Non-instructional Services                      | 2,923,057                           | 68,931                              | 1,388,149            | (1,465,977)  |
| Total Governmental Activities                                | <u>\$ 26,162,033</u>                | <u>\$ 115,320</u>                   | <u>\$ 6,962,886</u>  | <u>\$ (19,083,827)</u>   |
| General Revenues:  |                                     |                                     |                      |  |
| Taxes:   |                                     |                                     |                      |  |
| Property Taxes Levied for General Purposes                   |                                     |                                     |                      | \$ 2,811,739   |
| Local Option Sales Taxes                                     |                                     |                                     |                      | 2,570,299  |
| Mixed Drink Tax  |                                     |                                     |                      | 14,049   |
| Grants and Contributions Not Restricted to Specific Programs |                                     |                                     |                      | 16,666,448   |
| Unrestricted Investment Earnings                             |                                     |                                     |                      | 447,775  |
| Sale of Equipment  |                                     |                                     |                      | 7,055  |
| Miscellaneous  |                                     |                                     |                      | 923,938  |
| Total General Revenues                                       |                                     |                                     |                      | <u>\$ 23,441,303</u>   |
| Change in Net Position                                       |                                     |                                     |                      | \$ 4,357,476   |
| Net Position, July 1, 2023                                   |                                     |                                     |                      | <u>57,590,346</u>  |
| Net Position, June 30, 2024                                  |                                     |                                     |                      | <u>\$ 61,947,822</u>   |

Exhibit H-2

**SEQUATCHIE COUNTY, TENNESSEE**

**Balance Sheet - Governmental Funds**

Discretely Presented Sequatchie County School Department

**June 30, 2024**

|  | <b>Major Funds</b>                    |  |   | <b>Nonmajor Funds</b>                         |                   | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---------------------------------------|--|---|---|-------------------|---|
|  | <b>General<br/>Purpose<br/>School</b> | <b>School<br/>Federal<br/>Projects</b> | <b>Education<br/>Capital<br/>Projects</b> | <b>Other<br/>Govern-<br/>mental<br/>Funds</b> |                   |   |
|  |                                       |  |   |   |                   |   |
| <b>ASSETS</b>                              |                                       |  |   |   |                   |   |
| Cash                                       | \$ 0                                  | \$ 0                                   | \$ 0                                      | \$ 557,784                                    | \$ 557,784        |   |
| Equity in Pooled Cash and Investments      | 17,426,908                            | 572,645                                | 2,841,854                                 | 825,825                                       | 21,667,232        |   |
| Accounts Receivable                        | 6,383                                 | 0                                      | 0   | 0   | 6,383             |   |
| Due from Other Governments                 | 1,249,421                             | 427,355                                | 0   | 45,389  | 1,722,165         |   |
| Property Taxes Receivable                  | 2,912,140                             | 0                                      | 0   | 0   | 2,912,140         |   |
| Allowance for Uncollectible Property Taxes | (127,180)                             | 0                                      | 0   | 0   | (127,180)         |   |
| Restricted Assets                          | 299,711                               | 0                                      | 0   | 0   | 299,711           |   |
| <br>Total Assets                           | <br>\$ 21,767,383                     | <br>\$ 1,000,000                       | <br>\$ 2,841,854                          | <br>\$ 1,428,998                              | <br>\$ 27,038,235 |   |
| <b>LIABILITIES</b>                         |                                       |  |   |   |                   |   |
| Accounts Payable                           | \$ 5,100                              | \$ 0                                   | \$ 0                                      | \$ 0  | \$ 5,100          |   |
| Payroll Deductions Payable                 | 804,685                               | 0                                      | 0   | 0   | 804,685           |   |
| Total Liabilities                          | \$ 809,785                            | \$ 0                                   | \$ 0                                      | \$ 0  | \$ 809,785        |   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                                       |  |   |   |                   |   |
| Deferred Current Property Taxes            | \$ 2,714,029                          | \$ 0                                   | \$ 0                                      | \$ 0  | \$ 2,714,029      |   |
| Deferred Delinquent Property Taxes         | 65,630                                | 0                                      | 0   | 0   | 65,630            |   |
| Other Deferred/Unavailable Revenue         | 117,481                               | 0                                      | 0   | 1,660   | 119,141           |   |
| Total Deferred Inflows of Resources        | \$ 2,897,140                          | \$ 0                                   | \$ 0                                      | \$ 1,660                                      | \$ 2,898,800      |   |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

|   | <b>Major Funds</b> |              |              | <b>Nonmajor Funds</b> |               |              |
|---|--------------------|--------------|--------------|-----------------------|---------------|--------------|
|   | General            | School       | Education    | Other                 | Govern-       | Total        |
|   | Purpose            | Federal      | Capital      | Govern-               | men-          | Governmental |
|   | School             | Projects     | Projects     | Funds                 | Funds         | Funds        |
| <b>FUND BALANCES</b>  |                    |              |              |                       |               |              |
| Restricted:   |                    |              |              |                       |               |              |
| Restricted for Instruction  | \$ 1,145           | \$ 0         | \$ 0         | \$ 0                  | \$ 0          | \$ 1,145     |
| Restricted for Operation of Non-instructional Services              | 0                  | 0            | 0            | 1,427,338             | 1,427,338     |              |
| Restricted for Capital Outlay                                       | 2,575,340          | 0            | 0            | 0                     | 0             | 2,575,340    |
| Restricted for Hybrid Retirement Stabilization Funds                | 299,711            | 0            | 0            | 0                     | 0             | 299,711      |
| Committed:  |                    |              |              |                       |               |              |
| Committed for Capital Outlay  | 0                  | 0            | 2,291,834    | 0                     | 0             | 2,291,834    |
| Assigned:   |                    |              |              |                       |               |              |
| Assigned for Instruction  | 725,345            | 1,000,000    | 550,020      | 0                     | 0             | 2,275,365    |
| Unassigned  | 14,458,917         | 0            | 0            | 0                     | 0             | 14,458,917   |
| Total Fund Balances   | \$ 18,060,458      | \$ 1,000,000 | \$ 2,841,854 | \$ 1,427,338          | \$ 23,329,650 |              |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 21,767,383      | \$ 1,000,000 | \$ 2,841,854 | \$ 1,428,998          | \$ 27,038,235 |              |

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

Discretely Presented Sequatchie 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 H-2)  |                    | \$ 23,329,650        |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                    |                      |
| Add: land   | \$ 1,256,649       |                      |
| Add: construction in progress   | 6,010,753          |                      |
| Add: buildings and improvements net of accumulated depreciation   | 24,382,026         |                      |
| Add: infrastructure net of accumulated depreciation   | 982,001            |                      |
| Add: other capital assets net of accumulated depreciation   | <u>2,100,470</u>   | 34,731,899           |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.   |                    |                      |
| Less: net pension liability - agent plan  | \$ (324,202)       |                      |
| Less: other postemployment benefits liability   | <u>(1,636,538)</u> | (1,960,740)          |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits will be amortized and recognized as components of pension expense in future years. |                    |                      |
| Add: deferred outflows of resources related to pensions   | \$ 3,392,494       |                      |
| Less: deferred inflows of resources related to pensions   | (197,581)          |                      |
| Add: deferred outflows of resources related to OPEB   | 568,437            |                      |
| Less: deferred inflows of resources related to OPEB   | <u>(618,255)</u>   | 3,145,095            |
| (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.  |                    |                      |
| Add: net pension asset - teacher retirement plan  | \$ 74,575          |                      |
| Add: net pension asset - teacher legacy pension plan  | <u>2,442,572</u>   | 2,517,147            |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.   |                    | <u>184,771</u>       |
| Net position of governmental activities (Exhibit A)   |                    | \$ <u>61,947,822</u> |

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

Discretely Presented Sequatchie County School Department

For the Year Ended June 30, 2024

|   |                              |                               |                                  |                                     | Nonmajor<br>Funds                   |                   |
|---|------------------------------|-------------------------------|----------------------------------|-------------------------------------|-------------------------------------|-------------------|
|   | Major Funds                  |                               |                                  | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmen-<br>tal<br>Funds |                   |
|   | General<br>Purpose<br>School | School<br>Federal<br>Projects | Education<br>Capital<br>Projects |                                     |                                     |                   |
| <b>Revenues</b>                         |                              |                               |                                  |                                     |                                     |                   |
| Local Taxes                             | \$ 5,447,098                 | \$ 0                          | \$ 0                             | \$ 0                                | \$ 5,447,098                        |                   |
| Licenses and Permits                    |                              | 1,330                         | 0                                | 0                                   | 0                                   | 1,330             |
| Charges for Current Services            |                              | 36,389                        | 0                                | 0                                   | 69,094                              | 105,483           |
| Other Local Revenues                    |                              | 558,544                       | 0                                | 0                                   | 833,519                             | 1,392,063         |
| State of Tennessee                      |                              | 16,992,980                    | 0                                | 0                                   | 11,152                              | 17,004,132        |
| Federal Government                      |                              | 304,421                       | 2,866,493                        | 1,962,257                           | 1,376,997                           | 6,510,168         |
| Total Revenues                          | <u>\$ 23,340,762</u>         | <u>\$ 2,866,493</u>           | <u>\$ 1,962,257</u>              | <u>\$ 2,290,762</u>                 | <u>\$ 30,460,274</u>                |                   |
| <b>Expenditures</b>                     |                              |                               |                                  |                                     |                                     |                   |
| Current:                                |                              |                               |                                  |                                     |                                     |                   |
| Instruction                             | \$ 12,532,895                | \$ 1,794,753                  | \$ 0                             | \$ 0                                | \$ 0                                | 14,327,648        |
| Support Services                        |                              | 6,611,829                     | 698,664                          | 0                                   | 0                                   | 7,310,493         |
| Operation of Non-Instructional Services |                              | 262,853                       | 168,916                          | 0                                   | 2,444,144                           | 2,875,913         |
| Capital Outlay                          |                              | 352,482                       | 0                                | 0                                   | 0                                   | 352,482           |
| Capital Projects                        |                              | 0                             | 0                                | 5,249,569                           | 0                                   | 5,249,569         |
| Total Expenditures                      | <u>\$ 19,760,059</u>         | <u>\$ 2,662,333</u>           | <u>\$ 5,249,569</u>              | <u>\$ 2,444,144</u>                 | <u>\$ 0</u>                         | <u>30,116,105</u> |
| Excess (Deficiency) of Revenues         |                              |                               |                                  |                                     |                                     |                   |
| Over Expenditures                       | <u>\$ 3,580,703</u>          | <u>\$ 204,160</u>             | <u>\$ (3,287,312)</u>            | <u>\$ (153,382)</u>                 | <u>\$ 344,169</u>                   |                   |
| <b>Other Financing Sources (Uses)</b>   |                              |                               |                                  |                                     |                                     |                   |
| Transfers In                            | \$ 257,066                   | \$ 0                          | \$ 0                             | \$ 0                                | \$ 0                                | 257,066           |
| Transfers Out                           | 0                            | (204,160)                     | 0                                | (52,906)                            | (257,066)                           |                   |
| Total Other Financing Sources (Uses)    | <u>\$ 257,066</u>            | <u>\$ (204,160)</u>           | <u>\$ 0</u>                      | <u>\$ (52,906)</u>                  | <u>\$ 0</u>                         |                   |
| Net Change in Fund Balances             | \$ 3,837,769                 | \$ 0                          | \$ (3,287,312)                   | \$ (206,288)                        | \$ 344,169                          |                   |
| Fund Balance, July 1, 2023              |                              | 14,222,689                    | 1,000,000                        | 6,129,166                           | 1,633,626                           | 22,985,481        |
| Fund Balance, June 30, 2024             | <u>\$ 18,060,458</u>         | <u>\$ 1,000,000</u>           | <u>\$ 2,841,854</u>              | <u>\$ 1,427,338</u>                 | <u>\$ 23,329,650</u>                |                   |

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

Discretely Presented Sequatchie 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 H-4)  |                    | \$ 344,169          |
| (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   | \$ 5,520,819       |                     |
| Less: current-year depreciation expense   | <u>(1,136,833)</u> | 4,383,986           |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                    |                     |
| Add: deferred delinquent property taxes and other deferred June 30, 2024  | \$ 184,771         |                     |
| Less: deferred delinquent property taxes and other deferred June 30, 2023   | <u>(210,032)</u>   | (25,261)            |
| (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.   |                    |                     |
| Change in net pension asset/liability - agent plan  | \$ (173,240)       |                     |
| Change in net pension asset/liability - teacher retirement plan   | 26,553             |                     |
| Change in net pension asset/liability - teacher legacy pension plan   | (107,182)          |                     |
| Change in deferred outflows related to pensions   | (295,419)          |                     |
| Change in deferred inflows related to pensions  | 319,064            |                     |
| Change in other postemployment benefits (OPEB) liability  | (83,235)           |                     |
| Change in deferred outflows related to OPEB   | 20,263             |                     |
| Change in deferred inflows related to OPEB  | <u>(52,222)</u>    | <u>(345,418)</u>    |
| Change in net position of governmental activities (Exhibit B)   |                    | \$ <u>4,357,476</u> |

**SEQUATCHIE COUNTY, TENNESSEE**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
 Discretely Presented Sequatchie County School Department  
**June 30, 2024**

|  | <b>Special Revenue Funds</b> |                   |                     |                |
|--|------------------------------|-------------------|---------------------|----------------|
|  | Central Cafeteria            | Internal School   | Governmental Funds  | Total Nonmajor |
| <b>ASSETS</b>  |                              |                   |                     |                |
| Cash   | \$ 1,105                     | \$ 556,679        | \$ 557,784          |                |
| Equity in Pooled Cash and Investments                        | 825,825                      | 0                 | 825,825             |                |
| Due from Other Governments                                   | 45,389                       | 0                 | 45,389              |                |
| <b>Total Assets</b>  | <b>\$ 872,319</b>            | <b>\$ 556,679</b> | <b>\$ 1,428,998</b> |                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |                              |                   |                     |                |
| Other Deferred/Unavailable Revenue                           | \$ 1,660                     | \$ 0              | \$ 1,660            |                |
| <b>Total Deferred Inflows of Resources</b>                   | <b>\$ 1,660</b>              | <b>\$ 0</b>       | <b>\$ 1,660</b>     |                |
| <b>FUND BALANCES</b>   |                              |                   |                     |                |
| Restricted:  |                              |                   |                     |                |
| Restricted for Operation of Non-instructional Services       | \$ 870,659                   | \$ 556,679        | \$ 1,427,338        |                |
| <b>Total Fund Balances</b>                                   | <b>\$ 870,659</b>            | <b>\$ 556,679</b> | <b>\$ 1,427,338</b> |                |
| <b>Total Deferred Inflows of Resources and Fund Balances</b> | <b>\$ 872,319</b>            | <b>\$ 556,679</b> | <b>\$ 1,428,998</b> |                |

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

Discretely Presented Sequatchie County School Department

**For the Year Ended June 30, 2024**

|   | <b>Special Revenue Funds</b> |                        |                                    | <b>Total</b> |
|---|------------------------------|------------------------|------------------------------------|--------------|
|   | <b>Central Cafeteria</b>     | <b>Internal School</b> | <b>Nonmajor Governmental Funds</b> |              |
| <b>Revenues</b>                             |                              |                        |                                    |              |
| Charges for Current Services                | \$ 69,094                    | \$ 0                   | \$ 69,094                          |              |
| Other Local Revenues                        | 19,823                       | 813,696                | 833,519                            |              |
| State of Tennessee                          | 11,152                       | 0                      | 11,152                             |              |
| Federal Government                          | 1,376,997                    | 0                      | 1,376,997                          |              |
| <b>Total Revenues</b>                       | <b>\$ 1,477,066</b>          | <b>\$ 813,696</b>      | <b>\$ 2,290,762</b>                |              |
| <b>Expenditures</b>                         |                              |                        |                                    |              |
| Current:                                    |                              |                        |                                    |              |
| Operation of Non-Instructional Services     | \$ 1,587,745                 | \$ 856,399             | \$ 2,444,144                       |              |
| <b>Total Expenditures</b>                   | <b>\$ 1,587,745</b>          | <b>\$ 856,399</b>      | <b>\$ 2,444,144</b>                |              |
| Excess (Deficiency) of Revenues             |                              |                        |                                    |              |
| Over Expenditures                           | \$ (110,679)                 | \$ (42,703)            | \$ (153,382)                       |              |
| <b>Other Financing Sources (Uses)</b>       |                              |                        |                                    |              |
| Transfers Out                               | \$ (52,906)                  | \$ 0                   | \$ (52,906)                        |              |
| <b>Total Other Financing Sources (Uses)</b> | <b>\$ (52,906)</b>           | <b>\$ 0</b>            | <b>\$ (52,906)</b>                 |              |
| Net Change in Fund Balances                 | \$ (163,585)                 | \$ (42,703)            | \$ (206,288)                       |              |
| Fund Balance, July 1, 2023                  | 1,034,244                    | 599,382                | 1,633,626                          |              |
| <b>Fund Balance, June 30, 2024</b>          | <b>\$ 870,659</b>            | <b>\$ 556,679</b>      | <b>\$ 1,427,338</b>                |              |

**SEQUATCHIE COUNTY, TENNESSEE**

**Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget**  
Discretely Presented Sequatchie County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2024

|  | Actual<br>(GAAP<br>Basis) | Add:<br>Encumbrances<br>6/30/2024 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) |               | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|---------------|------------------|--------------|--|
|  |                           |                                   | Original  | Final         | Original         | Final        |  |
| <b>Revenues</b>                        |                           |                                   |   |               |                  |              |  |
| Local Taxes                            | \$ 5,447,098              | \$ 0                              | \$ 5,447,098  | \$ 5,588,929  | \$ 5,588,929     | \$ (141,831) |  |
| Licenses and Permits                   |                           | 1,330                             | 0   | 1,330         | 1,200            | 1,200        | 130  |
| Charges for Current Services           |                           | 36,389                            | 0   | 36,389        | 22,000           | 22,000       | 14,389   |
| Other Local Revenues                   |                           | 558,544                           | 0   | 558,544       | 75,000           | 128,000      | 430,544  |
| State of Tennessee                     | 16,992,980                | 0                                 | 16,992,980  | 17,579,023    | 17,872,442       |              | (879,462)  |
| Federal Government                     |                           | 304,421                           | 0   | 304,421       | 62,089           | 199,301      | 105,120  |
| Total Revenues                         | \$ 23,340,762             | \$ 0                              | \$ 23,340,762   | \$ 23,328,241 | \$ 23,811,872    | \$ (471,110) |  |
| <b>Expenditures</b>                    |                           |                                   |   |               |                  |              |  |
| Instruction                            |                           |                                   |   |               |                  |              |  |
| Regular Instruction Program            | \$ 8,876,339              | \$ 0                              | \$ 8,876,339  | \$ 9,890,228  | \$ 9,861,311     | \$ 984,972   |  |
| Alternative Instruction Program        |                           | 96,914                            | 0   | 96,914        | 93,804           | 97,804       | 890  |
| Special Education Program              |                           | 2,489,466                         | 0   | 2,489,466     | 2,525,142        | 2,722,895    | 233,429  |
| Career and Technical Education Program |                           | 1,040,892                         | 0   | 1,040,892     | 1,530,323        | 1,475,248    | 434,356  |
| Student Body Education Program         |                           | 29,284                            | 0   | 29,284        | 20,601           | 29,287       | 3  |
| Support Services                       |                           |                                   |   |               |                  |              |  |
| Attendance                             |                           | 174,289                           | 0   | 174,289       | 174,752          | 174,752      | 463  |
| Health Services                        |                           | 192,422                           | 3,764   | 196,186       | 232,066          | 236,767      | 40,581   |
| Other Student Support                  |                           | 494,594                           | 0   | 494,594       | 838,850          | 980,008      | 485,414  |
| Regular Instruction Program            |                           | 831,619                           | 0   | 831,619       | 762,590          | 942,496      | 110,877  |
| Special Education Program              |                           | 274,382                           | 0   | 274,382       | 224,354          | 320,659      | 46,277   |
| Career and Technical Education Program |                           | 0                                 | 0   | 0             | 233,334          | 58,334       | 58,334   |
| Technology                             |                           | 421,129                           | 0   | 421,129       | 432,045          | 459,930      | 38,801   |

(Continued)

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget**Discretely Presented Sequatchie County School Department  
General Purpose School Fund (Cont.)

|  | Actual<br>(GAAP<br>Basis) | Add:<br>Encumbrances<br>6/30/2024 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) |                | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|----------------|------------------|--------------|--|
|  |                           |                                   |   |                | Original         | Final        |  |
|  |                           |                                   |   |                |                  |              |  |
| <b>Expenditures (Cont.)</b>                          |                           |                                   |   |                |                  |              |  |
| Support Services (Cont.)                             |                           |                                   |   |                |                  |              |  |
| Other Programs                                       | \$ 13,586                 | \$ 0                              | \$ 13,586   | \$ 0           | \$ 13,586        | \$ 0         | 0  |
| Board of Education                                   | 323,653                   | 0                                 | 323,653   | 394,600        | 394,600          | 70,947       |  |
| Director of Schools                                  | 270,520                   | 0                                 | 270,520   | 265,205        | 271,205          | 685          |  |
| Office of the Principal                              | 847,223                   | 0                                 | 847,223   | 907,141        | 906,141          | 58,918       |  |
| Fiscal Services                                      | 318,182                   | 19,986                            | 338,168   | 328,390        | 352,532          | 14,364       |  |
| Operation of Plant                                   | 1,234,557                 | 0                                 | 1,234,557   | 1,303,085      | 1,299,385        | 64,828       |  |
| Maintenance of Plant                                 | 554,855                   | 0                                 | 554,855   | 470,691        | 592,168          | 37,313       |  |
| Transportation                                       | 660,818                   | 141,882                           | 802,700   | 822,673        | 863,833          | 61,133       |  |
| Operation of Non-Instructional Services              |                           |                                   |   |                |                  |              |  |
| Community Services                                   | 48,173                    | 0                                 | 48,173  | 62,089         | 62,089           | 13,916       |  |
| Early Childhood Education                            | 214,680                   | 0                                 | 214,680   | 207,056        | 218,730          | 4,050        |  |
| Capital Outlay                                       |                           |                                   |   |                |                  |              |  |
| Regular Capital Outlay                               | 352,482                   | 0                                 | 352,482   | 3,225,758      | 3,065,750        | 2,713,268    |  |
| Total Expenditures                                   | \$ 19,760,059             | \$ 165,632                        | \$ 19,925,691   | \$ 24,944,777  | \$ 25,399,510    | \$ 5,473,819 |  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 3,580,703              | \$ (165,632)                      | \$ 3,415,071  | \$ (1,616,536) | \$ (1,587,638)   | \$ 5,002,709 |  |
| <b>Other Financing Sources (Uses)</b>                |                           |                                   |   |                |                  |              |  |
| Transfers In   | \$ 257,066                | \$ 0                              | \$ 257,066  | \$ 219,476     | \$ 219,476       | \$ 37,590    |  |
| Total Other Financing Sources                        | \$ 257,066                | \$ 0                              | \$ 257,066  | \$ 219,476     | \$ 219,476       | \$ 37,590    |  |
| Net Change in Fund Balance                           | \$ 3,837,769              | \$ (165,632)                      | \$ 3,672,137  | \$ (1,397,060) | \$ (1,368,162)   | \$ 5,040,299 |  |
| Fund Balance, July 1, 2023                           | 14,222,689                | 0                                 | 14,222,689  | 14,301,942     | 14,301,942       | (79,253)     |  |
| Fund Balance, June 30, 2024                          | \$ 18,060,458             | \$ (165,632)                      | \$ 17,894,826   | \$ 12,904,882  | \$ 12,933,780    | \$ 4,961,046 |  |

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Revenues, Expenditures, and Changes****in Fund Balance - Actual and Budget**

Discretely Presented Sequatchie County School Department

School Federal Projects Fund

**For the Year Ended June 30, 2024**

|  | <b>Actual</b> | <b>Budgeted Amounts</b> |              | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|--|---------------|-------------------------|--------------|---|
|  |               | <b>Original</b>         | <b>Final</b> |   |
| <b>Revenues</b>                                      |               |                         |              |   |
| Federal Government                                   | \$ 2,866,493  | \$ 4,967,800            | \$ 5,275,358 | \$ (2,408,865)  |
| Total Revenues                                       | \$ 2,866,493  | \$ 4,967,800            | \$ 5,275,358 | \$ (2,408,865)  |
| <b>Expenditures</b>                                  |               |                         |              |   |
| Instruction  |               |                         |              |   |
| Regular Instruction Program                          | \$ 1,314,585  | \$ 1,492,184            | \$ 1,413,593 | \$ 99,008   |
| Special Education Program                            | 392,561       | 410,367                 | 489,511      | 96,950  |
| Career and Technical Education Program               | 87,607        | 82,169                  | 88,328       | 721   |
| Support Services                                     |               |                         |              |   |
| Health Services                                      | 61,468        | 62,732                  | 62,732       | 1,264   |
| Other Student Support                                | 113,911       | 128,062                 | 135,446      | 21,535  |
| Regular Instruction Program                          | 249,095       | 356,289                 | 377,917      | 128,822   |
| Special Education Program                            | 96,805        | 77,945                  | 175,473      | 78,668  |
| Career and Technical Education Program               | 3,167         | 6,317                   | 3,167        | 0   |
| Technology   | 15,588        | 15,588                  | 15,588       | 0   |
| Transportation                                       | 158,630       | 148,754                 | 175,954      | 17,324  |
| Operation of Non-Instructional Services              |               |                         |              |   |
| Food Service   | 20,549        | 0                       | 20,549       | 0   |
| Community Services                                   | 148,367       | 156,289                 | 150,684      | 2,317   |
| Capital Outlay                                       |               |                         |              |   |
| Regular Capital Outlay                               | 0             | 1,830,948               | 1,962,256    | 1,962,256   |
| Total Expenditures                                   | \$ 2,662,333  | \$ 4,767,644            | \$ 5,071,198 | \$ 2,408,865  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 204,160    | \$ 200,156              | \$ 204,160   | 0   |
| <b>Other Financing Sources (Uses)</b>                |               |                         |              |   |
| Transfers Out  | \$ (204,160)  | \$ (200,156)            | \$ (204,160) | 0   |
| Total Other Financing Sources                        | \$ (204,160)  | \$ (200,156)            | \$ (204,160) | 0   |
| Net Change in Fund Balance                           | \$ 0          | \$ 0                    | \$ 0         | 0   |
| Fund Balance, July 1, 2023                           |               | 1,000,000               | 0            | 1,000,000   |
| Fund Balance, June 30, 2024                          | \$ 1,000,000  | \$ 0                    | \$ 0         | \$ 1,000,000  |

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Revenues, Expenditures, and Changes****in Fund Balance - Actual and Budget**

Discretely Presented Sequatchie County School Department

Central Cafeteria Fund

**For the Year Ended June 30, 2024**

|   | Actual              | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|--|
|   |                     | Original            | Final               |  |
| <b>Revenues</b>                         |                     |                     |                     |  |
| Charges for Current Services            | \$ 69,094           | \$ 72,001           | \$ 72,001           | \$ (2,907)   |
| Other Local Revenues                    | 19,823              | 19,500              | 19,500              | 323  |
| State of Tennessee                      | 11,152              | 17,500              | 17,500              | (6,348)  |
| Federal Government                      | 1,376,997           | 1,532,069           | 1,624,891           | (247,894)  |
| Total Revenues                          | <u>\$ 1,477,066</u> | <u>\$ 1,641,070</u> | <u>\$ 1,733,892</u> | <u>\$ (256,826)</u>  |
| <b>Expenditures</b>                     |                     |                     |                     |  |
| Operation of Non-Instructional Services |                     |                     |                     |  |
| Food Service                            | \$ 1,587,745        | \$ 1,903,915        | \$ 1,996,737        | \$ 408,992   |
| Total Expenditures                      | <u>\$ 1,587,745</u> | <u>\$ 1,903,915</u> | <u>\$ 1,996,737</u> | <u>\$ 408,992</u>  |
| Excess (Deficiency) of Revenues         |                     |                     |                     |  |
| Over Expenditures                       | <u>\$ (110,679)</u> | <u>\$ (262,845)</u> | <u>\$ (262,845)</u> | <u>\$ 152,166</u>  |
| <b>Other Financing Sources (Uses)</b>   |                     |                     |                     |  |
| Transfers Out                           | \$ (52,906)         | \$ (52,906)         | \$ (52,906)         | 0  |
| Total Other Financing Sources           | <u>\$ (52,906)</u>  | <u>\$ (52,906)</u>  | <u>\$ (52,906)</u>  | <u>0</u>   |
| Net Change in Fund Balance              |                     |                     |                     |  |
| Fund Balance, July 1, 2023              | \$ (163,585)        | \$ (315,751)        | \$ (315,751)        | \$ 152,166   |
|   | 1,034,244           | 1,034,244           | 1,034,244           | 0  |
| Fund Balance, June 30, 2024             | <u>\$ 870,659</u>   | <u>\$ 718,493</u>   | <u>\$ 718,493</u>   | <u>\$ 152,166</u>  |

## **MISCELLANEOUS SCHEDULES**

## Exhibit I-1

**SEQUATCHIE COUNTY, TENNESSEE**  
**Schedule of Changes in Long-term Other Loans**  
**For the Year Ended June 30, 2024**

| Description of Indebtedness               | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>7-1-23 | Paid and/or                |                             |                        |  |  |  |  |  |
|---|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|-----------------------------|------------------------|--|--|--|--|--|
|   |                                |                  |                     |                          |                       | Issued<br>During<br>Period | Matured<br>During<br>Period | Outstanding<br>6-30-24 |  |  |  |  |  |
| <b>OTHER LOANS PAYABLE</b>                |                                |                  |                     |                          |                       |                            |                             |                        |  |  |  |  |  |
| Payable through General Fund              |                                |                  |                     |                          |                       |                            |                             |                        |  |  |  |  |  |
| Patrol Cars                               | \$ 156,538                     | 3.07 %           | 6-27-24             | 6-30-27                  | \$ 0                  | \$ 156,538                 | \$ 37,376                   | \$ 119,162             |  |  |  |  |  |
| Payable through General Debt Service Fund |                                |                  |                     |                          |                       |                            |                             |                        |  |  |  |  |  |
| Justice Center                            | 6,500,000                      | Variable         | 11-1-04             | 5-25-32                  | 2,761,000             | 0                          | 272,000                     | 2,489,000              |  |  |  |  |  |
| Total Other Loans Payable                 |                                |                  |                     |                          | \$ 2,761,000          | \$ 156,538                 | \$ 309,376                  | \$ 2,608,162           |  |  |  |  |  |

Exhibit I-2

**SEQUATCHIE COUNTY, TENNESSEE**  
**Schedule of Long-term Debt Requirements by Year**

| <b>Year<br/>Ending<br/>June 30</b> | <b>Other Loans</b>  |                   |                   | <b>Total</b>        |
|------------------------------------|---------------------|-------------------|-------------------|---------------------|
|                                    | <b>Principal</b>    | <b>Interest</b>   | <b>Other Fees</b> |                     |
| 2025                               | \$ 318,524          | \$ 125,268        | 20,683            | \$ 464,475          |
| 2026                               | 327,709             | 112,828           | 18,863            | 459,400             |
| 2027                               | 337,929             | 100,029           | 16,991            | 454,949             |
| 2028                               | 306,000             | 86,832            | 15,060            | 407,892             |
| 2029                               | 315,000             | 74,531            | 13,071            | 402,602             |
| 2030                               | 325,000             | 61,868            | 11,024            | 397,892             |
| 2031                               | 334,000             | 48,803            | 8,911             | 391,714             |
| 2032                               | 344,000             | 35,376            | 6,740             | 386,116             |
| <b>Total</b>                       | <b>\$ 2,608,162</b> | <b>\$ 645,535</b> | <b>\$ 111,343</b> | <b>\$ 3,365,040</b> |

Exhibit I-3

**SEQUATCHIE COUNTY, TENNESSEE**

**Schedule of Transfers**

Primary Government and Discretely Presented Sequatchie County School Department

**For the Year Ended June 30, 2024**

| <b>From Fund</b>   | <b>To Fund</b>         | <b>Purpose</b> | <b>Amount</b> |
|--|------------------------|----------------|---------------|
| <b>PRIMARY GOVERNMENT</b>  |                        |                |               |
| General  | Solid Waste/Sanitation | Operations     | \$ 200,000    |
| Total Transfers Primary Government                                       |                        |                | \$ 200,000    |
| <b>DISCRETELY PRESENTED SEQUATCHIE COUNTY SCHOOL DEPARTMENT</b>          |                        |                |               |
| School Federal Projects  | General Purpose School | Indirect costs | \$ 204,160    |
| Central Cafeteria  | "                      | Direct costs   | <u>52,906</u> |
| Total Transfers Discretely Presented Sequatchie County School Department |                        |                | \$ 257,066    |

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

Primary Government and Discretely Presented Sequatchie County School Department  
**For the Year Ended June 30, 2024**

| <b>Official</b>                                  | <b>Salary</b>            | <b>Authorization</b>                                      | <b>Bond</b> | <b>Surety</b>                             |
|--|--------------------------|---|-------------|---|
| <b>County Executive</b>                          |                          | Section 8-24-102, <i>TCA</i> and<br>County Commission     | \$ 100,000  | RLI Insurance Company                     |
| Base salary                                      | \$ 100,157               |   |             |   |
| Additional pay for county commission meetings    | 7,500                    |   |             |   |
| Total compensation                               | <u><u>\$ 107,657</u></u> |   |             |   |
| <b>Highway Supervisor</b>                        |                          | Section 8-24-102, <i>TCA</i>                              | 100,000     | RLI Insurance Company                     |
| Base salary/Total Compensation                   | <u><u>\$ 95,388</u></u>  |   |             |   |
| <b>Director of Schools</b>                       |                          | State Board of Education and<br>County Board of Education | 100,000     | Auto-Owners (Mutual)<br>Insurance Company |
| Base salary                                      | \$ 116,100               |   |             |   |
| Chief executive officer training supplement      | 1,000                    |   |             |   |
| Total compensation                               | <u><u>\$ 117,100</u></u> |   |             |   |
| <b>Trustee</b>                                   |                          | Section 8-24-102, <i>TCA</i>                              | 859,516     | RLI Insurance Company                     |
| Base salary/Total Compensation                   | <u><u>\$ 86,716</u></u>  |   |             |   |
| <b>Assessor of Property</b>                      |                          | Section 8-24-102, <i>TCA</i>                              | 50,000      | Western Surety Company                    |
| Base salary/Total Compensation                   | <u><u>\$ 86,716</u></u>  |   |             |   |
| <b>County Clerk</b>                              |                          | Section 8-24-102, <i>TCA</i>                              | 50,000      | RLI Insurance Company                     |
| Base salary/Total Compensation                   | <u><u>\$ 86,716</u></u>  |   |             |   |
| <b>Circuit and General Sessions Courts Clerk</b> |                          | Section 8-24-102, <i>TCA</i>                              | 50,000      | RLI Insurance Company                     |
| Base salary/Total Compensation                   | <u><u>\$ 86,716</u></u>  |   |             |   |
| <b>Clerk and Master</b>                          |                          | Section 8-24-102, <i>TCA</i>                              | 50,000      | State Farm Fire and Casualty Company      |
| Base salary/Total Compensation                   | <u><u>\$ 86,716</u></u>  |   |             |   |
| <b>Register of Deeds</b>                         |                          | Section 8-24-102, <i>TCA</i>                              | 50,000      | RLI Insurance Company                     |
| Base salary/Total Compensation                   | <u><u>\$ 86,716</u></u>  |   |             |   |
| <b>Sheriff</b>                                   |                          | Section 8-24-102, <i>TCA</i>                              | 100,000     | RLI Insurance Company                     |
| Base salary                                      | \$ 95,388                |   |             |   |
| Law enforcement training supplement              | 800                      |   |             |   |
| Total Sheriff compensation                       | <u><u>\$ 96,188</u></u>  |   |             |   |
| Employee Blanket Bonds:                          |                          |   |             |   |
| Employee Fidelity - County Departments           |                          |   | 400,000     | Tennessee Risk Management Trust           |
| Employee Fidelity - Highway Department           |                          |   | 400,000     | Local Government Insurance Pool           |
| Employee Fidelity - School Department            |                          |   | 500,000     | Liberty Mutual Insurance                  |

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

|  | <b>Special Revenue Funds</b> |                          |              |                         |                        | <b>Debt Service Fund</b> |
|--|------------------------------|--------------------------|--------------|-------------------------|------------------------|--------------------------|
|  | General                      | Solid Waste / Sanitation | Drug Control | General Government Fund | Highway / Public Works | General Debt Service     |
| <b>Local Taxes</b>                                       |                              |                          |              |                         |                        |                          |
| County Property Taxes                                    |                              |                          |              |                         |                        |                          |
| Current Property Tax                                     | \$ 5,263,337                 | \$ 1,179,710             | \$ 0         | \$ 0                    | \$ 0                   | \$ 285,842               |
| Trustee's Collections - Prior Year                       | 126,832                      | 17,090                   | 0            | 0                       | 0                      | 8,972                    |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 92,373                       | 19,025                   | 0            | 0                       | 0                      | 5,385                    |
| Interest and Penalty                                     | 24,697                       | 3,916                    | 0            | 0                       | 0                      | 1,640                    |
| Payments in-Lieu-of Taxes - Local Utilities              | 32,101                       | 4,326                    | 0            | 0                       | 0                      | 2,271                    |
| Payments in-Lieu-of Taxes - Other                        | 845                          | 189                      | 0            | 0                       | 0                      | 46                       |
| County Local Option Taxes                                |                              |                          |              |                         |                        |                          |
| Local Option Sales Tax                                   | 850,404                      | 0                        | 0            | 0                       | 0                      | 0                        |
| Hotel/Motel Tax  | 79,499                       | 0                        | 0            | 0                       | 0                      | 0                        |
| Litigation Tax - General                                 | 47,647                       | 0                        | 0            | 0                       | 0                      | 0                        |
| Litigation Tax - Special Purpose                         | 17,076                       | 0                        | 0            | 0                       | 0                      | 0                        |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 14,102                       | 0                        | 0            | 0                       | 0                      | 0                        |
| Business Tax   | 172,470                      | 0                        | 0            | 0                       | 0                      | 0                        |
| Statutory Local Taxes                                    |                              |                          |              |                         |                        |                          |
| Bank Excise Tax  | 57,509                       | 11,568                   | 0            | 0                       | 0                      | 2,808                    |
| Wholesale Beer Tax                                       | 52,833                       | 0                        | 0            | 0                       | 0                      | 0                        |
| Total Local Taxes  | \$ 6,831,725                 | \$ 1,235,824             | \$ 0         | \$ 0                    | \$ 0                   | \$ 306,964               |
| <b>Licenses and Permits</b>                              |                              |                          |              |                         |                        |                          |
| Licenses   |                              |                          |              |                         |                        |                          |
| Cable TV Franchise                                       | \$ 39,849                    | \$ 0                     | \$ 0         | \$ 0                    | \$ 0                   | 0                        |
| Permits  |                              |                          |              |                         |                        |                          |
| Beer Permits   | 1,235                        | 0                        | 0            | 0                       | 0                      | 0                        |
| Total Licenses and Permits                               | \$ 41,084                    | \$ 0                     | \$ 0         | \$ 0                    | \$ 0                   | 0                        |

(Continued)

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

|  | <b>Special Revenue Funds</b> |                                 |                     |                                      |                               | <b>Debt Service Fund</b>    |   |
|--|------------------------------|---------------------------------|---------------------|--------------------------------------|-------------------------------|-----------------------------|---|
|  | <b>General</b>               | <b>Solid Waste / Sanitation</b> | <b>Drug Control</b> | <b>Other General Government Fund</b> | <b>Highway / Public Works</b> | <b>General Debt Service</b> |   |
|  |                              |                                 |                     |                                      |                               |                             |   |
| <b>Fines, Forfeitures, and Penalties</b> |                              |                                 |                     |                                      |                               |                             |   |
| <b>Circuit Court</b>                     |                              |                                 |                     |                                      |                               |                             |   |
| Fines                                    | \$ 1,378                     | \$ 0                            | \$ 0                | \$ 0                                 | \$ 0                          | \$ 0                        | 0 |
| Officers Costs                           | 982                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Drug Control Fines                       | 0                            | 0                               | 214                 | 0                                    | 0                             | 0                           | 0 |
| Drug Court Fees                          | 332                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Jail Fees                                | 989                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| DUI Treatment Fines                      | 380                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Data Entry Fee - Circuit Court           | 608                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Courtroom Security Fee                   | 2,464                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| <b>Criminal Court</b>                    |                              |                                 |                     |                                      |                               |                             |   |
| Jail Fees                                | 487                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| DUI Treatment Fines                      | 238                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| <b>General Sessions Court</b>            |                              |                                 |                     |                                      |                               |                             |   |
| Fines                                    | 2,897                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Game and Fish Fines                      | 27                           | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Drug Control Fines                       | 1,750                        | 0                               | 5,344               | 0                                    | 0                             | 0                           | 0 |
| Drug Court Fees                          | 769                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Jail Fees                                | 547                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| DUI Treatment Fines                      | 1,026                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Data Entry Fee - General Sessions Court  | 5,625                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Courtroom Security Fee                   | 32,242                       | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| <b>Chancery Court</b>                    |                              |                                 |                     |                                      |                               |                             |   |
| Officers Costs                           | 103                          | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Data Entry Fee - Chancery Court          | 2,676                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |
| Courtroom Security Fee                   | 2,380                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0 |

(Continued)

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

|  | <b>Special Revenue Funds</b> |                                 |                     |                                      |                               | <b>Debt Service Fund</b>    |
|--|------------------------------|---------------------------------|---------------------|--------------------------------------|-------------------------------|-----------------------------|
|  | <b>General</b>               | <b>Solid Waste / Sanitation</b> | <b>Drug Control</b> | <b>Other General Government Fund</b> | <b>Highway / Public Works</b> | <b>General Debt Service</b> |
|  |                              |                                 |                     |                                      |                               |                             |
| <b>Fines, Forfeitures, and Penalties (Cont.)</b> |                              |                                 |                     |                                      |                               |                             |
| Other Courts - In-county                         |                              |                                 |                     |                                      |                               |                             |
| Drug Court Fees                                  | \$ 2,143                     | \$ 0                            | \$ 0                | \$ 0                                 | \$ 0                          | \$ 0                        |
| Other Fines, Forfeitures, and Penalties          |                              |                                 |                     |                                      |                               |                             |
| Proceeds from Confiscated Property               | 0                            | 0                               | 1,497               | 0                                    | 0                             | 0                           |
| Total Fines, Forfeitures, and Penalties          | \$ 60,043                    | \$ 0                            | \$ 7,055            | \$ 0                                 | \$ 0                          | \$ 0                        |
| <b>Charges for Current Services</b>              |                              |                                 |                     |                                      |                               |                             |
| General Service Charges                          |                              |                                 |                     |                                      |                               |                             |
| Surcharge - Waste Tire Disposal                  | \$ 0                         | \$ 5,640                        | \$ 0                | \$ 0                                 | \$ 0                          | \$ 0                        |
| Work Release Charges for Board                   | 600                          | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Other General Service Charges                    | 0                            | 0                               | 0                   | 0                                    | 43,532                        | 0                           |
| Fees   |                              |                                 |                     |                                      |                               |                             |
| Copy Fees  | 413                          | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Library Fees                                     | 268                          | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Telephone Commissions                            | 61,868                       | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Vending Machine Collections                      | 73,367                       | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Additional Fees - Titling and Registration       | 31,086                       | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Data Processing Fee - Register                   | 6,072                        | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Data Processing Fee - Sheriff                    | 292                          | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Data Processing Fee - County Clerk               | 2,016                        | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Vehicle Registration Reinstatement Fees          | 3,375                        | 0                               | 0                   | 0                                    | 0                             | 0                           |
| Total Charges for Current Services               | \$ 179,357                   | \$ 5,640                        | \$ 0                | \$ 0                                 | \$ 43,532                     | \$ 0                        |
| <b>Other Local Revenues</b>                      |                              |                                 |                     |                                      |                               |                             |
| Recurring Items                                  |                              |                                 |                     |                                      |                               |                             |
| Investment Income                                | \$ 326,538                   | \$ 0                            | \$ 0                | \$ 0                                 | \$ 0                          | \$ 95,572                   |

(Continued)

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

|  | <b>Special Revenue Funds</b> |                          |              |                         |                              | <b>Debt Service Fund</b> |
|--|------------------------------|--------------------------|--------------|-------------------------|------------------------------|--------------------------|
|  | General                      | Solid Waste / Sanitation | Drug Control | General Government Fund | Other Highway / Public Works | General Debt Service     |
| <b>Other Local Revenues (Cont.)</b>        |                              |                          |              |                         |                              |                          |
| Recurring Items (Cont.)                    |                              |                          |              |                         |                              |                          |
| Lease/Rentals/PPP                          | \$ 3,000                     | \$ 0                     | \$ 0         | \$ 0                    | \$ 0                         | 0                        |
| Sale of Recycled Materials                 | 0                            | 985                      | 0            | 0                       | 0                            | 0                        |
| E-Rate Funding                             | 3,240                        | 0                        | 0            | 0                       | 0                            | 0                        |
| Miscellaneous Refunds                      | 8,533                        | 0                        | 0            | 0                       | 25,974                       | 0                        |
| Nonrecurring Items                         |                              |                          |              |                         |                              |                          |
| Sale of Equipment                          | 0                            | 0                        | 0            | 0                       | 400                          | 0                        |
| Contributions and Gifts                    | 0                            | 0                        | 12,350       | 0                       | 0                            | 0                        |
| Total Other Local Revenues                 | \$ 341,311                   | \$ 985                   | \$ 12,350    | \$ 0                    | \$ 26,374                    | \$ 95,572                |
| <b>Fees Received From County Officials</b> |                              |                          |              |                         |                              |                          |
| Fees In-Lieu-of Salary                     |                              |                          |              |                         |                              |                          |
| County Clerk                               | \$ 274,135                   | \$ 0                     | \$ 0         | \$ 0                    | \$ 0                         | 0                        |
| Circuit Court Clerk                        | 26,355                       | 0                        | 0            | 0                       | 0                            | 0                        |
| General Sessions Court Clerk               | 89,428                       | 0                        | 0            | 0                       | 0                            | 0                        |
| Clerk and Master                           | 60,012                       | 0                        | 0            | 0                       | 0                            | 0                        |
| Register                                   | 84,458                       | 0                        | 0            | 0                       | 0                            | 0                        |
| Sheriff                                    | 8,982                        | 0                        | 0            | 0                       | 0                            | 0                        |
| Trustee                                    | 320,250                      | 0                        | 0            | 0                       | 0                            | 0                        |
| Total Fees Received From County Officials  | \$ 863,620                   | \$ 0                     | \$ 0         | \$ 0                    | \$ 0                         | 0                        |
| <b>State of Tennessee</b>                  |                              |                          |              |                         |                              |                          |
| General Government Grants                  |                              |                          |              |                         |                              |                          |
| Juvenile Services Program                  | \$ 9,000                     | \$ 0                     | \$ 0         | \$ 0                    | \$ 0                         | 0                        |
| Other General Government Grants            | 131,918                      | 0                        | 0            | 0                       | 0                            | 0                        |

(Continued)

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

|  | <b>Special Revenue Funds</b> |                                 |                     |                                      |                               | <b>Debt Service Fund</b>    |        |
|--|------------------------------|---------------------------------|---------------------|--------------------------------------|-------------------------------|-----------------------------|--------|
|  | <b>General</b>               | <b>Solid Waste / Sanitation</b> | <b>Drug Control</b> | <b>Other General Government Fund</b> | <b>Highway / Public Works</b> | <b>General Debt Service</b> |        |
|  |                              |                                 |                     |                                      |                               |                             |        |
| <b>State of Tennessee (Cont.)</b>              |                              |                                 |                     |                                      |                               |                             |        |
| Public Safety Grants                           |                              |                                 |                     |                                      |                               |                             |        |
| Law Enforcement Training Programs              | \$ 12,000                    | \$ 0                            | \$ 0                | \$ 0                                 | \$ 0                          | \$ 0                        | 0      |
| School Resource Officer Grants                 | 225,000                      | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Other Public Safety Grants                     | 9,052                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Health and Welfare Grants                      |                              |                                 |                     |                                      |                               |                             |        |
| Health Department Programs                     | 155,183                      | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Public Works Grants                            |                              |                                 |                     |                                      |                               |                             |        |
| State Aid Program                              | 0                            | 0                               | 0                   | 0                                    | 1,628,584                     | 0                           | 0      |
| Litter Program                                 | 0                            | 20,194                          | 0                   | 0                                    | 0                             | 0                           | 0      |
| Other State Revenues                           |                              |                                 |                     |                                      |                               |                             |        |
| Resort District Sales Tax                      | 5,954                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Beer Tax                                       | 18,498                       | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Vehicle Certificate of Title Fees              | 7,915                        | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Alcoholic Beverage Tax                         | 49,134                       | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Opioid Settlement Funds - TN Abatement Council | 111,069                      | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| State Revenue Sharing - T.V.A.                 | 239,246                      | 53,595                          | 0                   | 0                                    | 0                             | 0                           | 13,009 |
| State Revenue Sharing - Telecommunications     | 32,213                       | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| State Shared Sports Gaming Privilege Tax       | 19,598                       | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Contracted Prisoner Boarding                   | 562,968                      | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Gasoline and Motor Fuel Tax                    | 0                            | 0                               | 0                   | 0                                    | 2,071,456                     | 0                           | 0      |
| Hybrid/Electric Vehicle Registration Fee       | 0                            | 0                               | 0                   | 0                                    | 8,383                         | 0                           | 0      |
| Petroleum Special Tax                          | 0                            | 0                               | 0                   | 0                                    | 10,486                        | 0                           | 0      |
| Registrar's Salary Supplement                  | 15,164                       | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Other State Grants                             | 63,914                       | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Other State Revenues                           | 27,616                       | 0                               | 0                   | 0                                    | 0                             | 0                           | 0      |
| Total State of Tennessee                       | \$ 1,695,442                 | \$ 73,789                       | \$ 0                | \$ 0                                 | \$ 3,718,909                  | \$ 0                        | 13,009 |

(Continued)

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

|  | <b>Special Revenue Funds</b> |                          |              |                               |                        | <b>Debt Service Fund</b> |
|--|------------------------------|--------------------------|--------------|-------------------------------|------------------------|--------------------------|
|  | General                      | Solid Waste / Sanitation | Drug Control | Other General Government Fund | Highway / Public Works | General Debt Service     |
| <b>Federal Government</b>                    |                              |                          |              |                               |                        |                          |
| Federal Through State                        |                              |                          |              |                               |                        |                          |
| Homeland Security Grants                     | \$ 20,132                    | \$ 0                     | \$ 0         | \$ 0                          | \$ 0                   | \$ 0                     |
| Direct Federal Revenue                       |                              |                          |              |                               |                        |                          |
| American Rescue Plan Act Grant #6            | 0                            | 0                        | 0            | 1,218,425                     | 0                      | 0                        |
| Total Federal Government                     | \$ 20,132                    | \$ 0                     | \$ 0         | \$ 1,218,425                  | \$ 0                   | \$ 0                     |
| <b>Other Governments and Citizens Groups</b> |                              |                          |              |                               |                        |                          |
| Other Governments                            |                              |                          |              |                               |                        |                          |
| Contributions                                | \$ 10,000                    | \$ 0                     | \$ 0         | \$ 0                          | \$ 0                   | \$ 0                     |
| Contracted Services                          | 167,664                      | 0                        | 0            | 0                             | 0                      | 0                        |
| Other  |                              |                          |              |                               |                        |                          |
| Opioid Settlement Funds - Past Remediation   | 62,664                       | 0                        | 0            | 0                             | 0                      | 0                        |
| Total Other Governments and Citizens Groups  | \$ 240,328                   | \$ 0                     | \$ 0         | \$ 0                          | \$ 0                   | \$ 0                     |
| Total  | \$ 10,273,042                | \$ 1,316,238             | \$ 19,405    | \$ 1,218,425                  | \$ 3,788,815           | \$ 415,545               |

(Continued)

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

|  | <u>Capital Projects Fund</u> |              |       |
|--|------------------------------|--------------|-------|
|  | General Capital Projects     |              | Total |
| <b>Local Taxes</b>                                       |                              |              |       |
| County Property Taxes                                    |                              |              |       |
| Current Property Tax                                     | \$ 328,202                   | \$ 7,057,091 |       |
| Trustee's Collections - Prior Year                       | 2,003                        | 154,897      |       |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 4,922                        | 121,705      |       |
| Interest and Penalty                                     | 695                          | 30,948       |       |
| Payments in-Lieu-of Taxes - Local Utilities              | 507                          | 39,205       |       |
| Payments in-Lieu-of Taxes - Other                        | 53                           | 1,133        |       |
| County Local Option Taxes                                |                              |              |       |
| Local Option Sales Tax                                   | 0                            | 850,404      |       |
| Hotel/Motel Tax  | 0                            | 79,499       |       |
| Litigation Tax - General                                 | 0                            | 47,647       |       |
| Litigation Tax - Special Purpose                         | 0                            | 17,076       |       |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 0                            | 14,102       |       |
| Business Tax   | 0                            | 172,470      |       |
| Statutory Local Taxes                                    |                              |              |       |
| Bank Excise Tax  | 3,217                        | 75,102       |       |
| Wholesale Beer Tax                                       | 0                            | 52,833       |       |
| Total Local Taxes  | \$ 339,599                   | \$ 8,714,112 |       |
| <b>Licenses and Permits</b>                              |                              |              |       |
| Licenses   |                              |              |       |
| Cable TV Franchise                                       | \$ 0                         | \$ 39,849    |       |
| Permits  |                              |              |       |
| Beer Permits   | 0                            | 1,235        |       |
| Total Licenses and Permits                               | \$ 0                         | \$ 41,084    |       |

(Continued)

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

|  |      | <u>Capital Projects Fund</u> |       |
|--|------|------------------------------|-------|
|  |      | General Capital Projects     | Total |
| <b>Fines, Forfeitures, and Penalties</b> |      |                              |       |
| Circuit Court                            |      |                              |       |
| Fines                                    | \$ 0 | \$ 1,378                     |       |
| Officers Costs                           | 0    | 982                          |       |
| Drug Control Fines                       | 0    | 214                          |       |
| Drug Court Fees                          | 0    | 332                          |       |
| Jail Fees                                | 0    | 989                          |       |
| DUI Treatment Fines                      | 0    | 380                          |       |
| Data Entry Fee - Circuit Court           | 0    | 608                          |       |
| Courtroom Security Fee                   | 0    | 2,464                        |       |
| Criminal Court                           |      |                              |       |
| Jail Fees                                | 0    | 487                          |       |
| DUI Treatment Fines                      | 0    | 238                          |       |
| General Sessions Court                   |      |                              |       |
| Fines                                    | 0    | 2,897                        |       |
| Game and Fish Fines                      | 0    | 27                           |       |
| Drug Control Fines                       | 0    | 7,094                        |       |
| Drug Court Fees                          | 0    | 769                          |       |
| Jail Fees                                | 0    | 547                          |       |
| DUI Treatment Fines                      | 0    | 1,026                        |       |
| Data Entry Fee - General Sessions Court  | 0    | 5,625                        |       |
| Courtroom Security Fee                   | 0    | 32,242                       |       |
| Chancery Court                           |      |                              |       |
| Officers Costs                           | 0    | 103                          |       |
| Data Entry Fee - Chancery Court          | 0    | 2,676                        |       |
| Courtroom Security Fee                   | 0    | 2,380                        |       |

(Continued)

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

|  | <u>Capital Projects Fund</u> |            |       |
|--|------------------------------|------------|-------|
|  | General Capital Projects     |            | Total |
| <b>Fines, Forfeitures, and Penalties (Cont.)</b> |                              |            |       |
| Other Courts - In-county                         |                              |            |       |
| Drug Court Fees                                  | \$ 0                         | \$ 2,143   |       |
| Other Fines, Forfeitures, and Penalties          |                              |            |       |
| Proceeds from Confiscated Property               | 0                            | 1,497      |       |
| Total Fines, Forfeitures, and Penalties          | \$ 0                         | \$ 67,098  |       |
| <b>Charges for Current Services</b>              |                              |            |       |
| General Service Charges                          |                              |            |       |
| Surcharge - Waste Tire Disposal                  | \$ 0                         | \$ 5,640   |       |
| Work Release Charges for Board                   | 0                            | 600        |       |
| Other General Service Charges                    | 0                            | 43,532     |       |
| Fees   |                              |            |       |
| Copy Fees  | 0                            | 413        |       |
| Library Fees                                     | 0                            | 268        |       |
| Telephone Commissions                            | 0                            | 61,868     |       |
| Vending Machine Collections                      | 0                            | 73,367     |       |
| Additional Fees - Titling and Registration       | 0                            | 31,086     |       |
| Data Processing Fee - Register                   | 0                            | 6,072      |       |
| Data Processing Fee - Sheriff                    | 0                            | 292        |       |
| Data Processing Fee - County Clerk               | 0                            | 2,016      |       |
| Vehicle Registration Reinstatement Fees          | 0                            | 3,375      |       |
| Total Charges for Current Services               | \$ 0                         | \$ 228,529 |       |
| <b>Other Local Revenues</b>                      |                              |            |       |
| Recurring Items                                  |                              |            |       |
| Investment Income                                | \$ 0                         | \$ 422,110 |       |

(Continued)

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

|  | <u>Capital Projects Fund</u> |            |       |
|--|------------------------------|------------|-------|
|  | General Capital Projects     |            | Total |
| <b>Other Local Revenues (Cont.)</b>        |                              |            |       |
| Recurring Items (Cont.)                    |                              |            |       |
| Lease/Rentals/PPP                          | \$ 0                         | \$ 3,000   |       |
| Sale of Recycled Materials                 | 0                            | 985        |       |
| E-Rate Funding                             | 0                            | 3,240      |       |
| Miscellaneous Refunds                      | 0                            | 34,507     |       |
| Nonrecurring Items                         |                              |            |       |
| Sale of Equipment                          | 0                            | 400        |       |
| Contributions and Gifts                    | 0                            | 12,350     |       |
| Total Other Local Revenues                 | \$ 0                         | \$ 476,592 |       |
| <b>Fees Received From County Officials</b> |                              |            |       |
| Fees In-Lieu of Salary                     |                              |            |       |
| County Clerk                               | \$ 0                         | \$ 274,135 |       |
| Circuit Court Clerk                        | 0                            | 26,355     |       |
| General Sessions Court Clerk               | 0                            | 89,428     |       |
| Clerk and Master                           | 0                            | 60,012     |       |
| Register                                   | 0                            | 84,458     |       |
| Sheriff                                    | 0                            | 8,982      |       |
| Trustee                                    | 0                            | 320,250    |       |
| Total Fees Received From County Officials  | \$ 0                         | \$ 863,620 |       |
| <b>State of Tennessee</b>                  |                              |            |       |
| General Government Grants                  |                              |            |       |
| Juvenile Services Program                  | \$ 0                         | \$ 9,000   |       |
| Other General Government Grants            | 0                            | 131,918    |       |

(Continued)

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

|  | <u>Capital Projects Fund</u> |              |       |
|--|------------------------------|--------------|-------|
|  | General Capital Projects     |              | Total |
| <b>State of Tennessee (Cont.)</b>              |                              |              |       |
| Public Safety Grants                           |                              |              |       |
| Law Enforcement Training Programs              | \$ 0                         | \$ 12,000    |       |
| School Resource Officer Grants                 | 0                            | 225,000      |       |
| Other Public Safety Grants                     | 0                            | 9,052        |       |
| Health and Welfare Grants                      |                              |              |       |
| Health Department Programs                     | 0                            | 155,183      |       |
| Public Works Grants                            |                              |              |       |
| State Aid Program                              | 0                            | 1,628,584    |       |
| Litter Program                                 | 0                            | 20,194       |       |
| Other State Revenues                           |                              |              |       |
| Resort District Sales Tax                      | 0                            | 5,954        |       |
| Beer Tax                                       | 0                            | 18,498       |       |
| Vehicle Certificate of Title Fees              | 0                            | 7,915        |       |
| Alcoholic Beverage Tax                         | 0                            | 49,134       |       |
| Opioid Settlement Funds - TN Abatement Council | 0                            | 111,069      |       |
| State Revenue Sharing - T.V.A.                 | 14,905                       | 320,755      |       |
| State Revenue Sharing - Telecommunications     | 0                            | 32,213       |       |
| State Shared Sports Gaming Privilege Tax       | 0                            | 19,598       |       |
| Contracted Prisoner Boarding                   | 0                            | 562,968      |       |
| Gasoline and Motor Fuel Tax                    | 0                            | 2,071,456    |       |
| Hybrid/Electric Vehicle Registration Fee       | 0                            | 8,383        |       |
| Petroleum Special Tax                          | 0                            | 10,486       |       |
| Registrar's Salary Supplement                  | 0                            | 15,164       |       |
| Other State Grants                             | 0                            | 63,914       |       |
| Other State Revenues                           | 0                            | 27,616       |       |
| Total State of Tennessee                       | \$ 14,905                    | \$ 5,516,054 |       |

(Continued)

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

|  | <u>Capital Projects Fund</u> |               |       |
|--|------------------------------|---------------|-------|
|  | General Capital Projects     |               | Total |
| <b>Federal Government</b>                    |                              |               |       |
| Federal Through State                        |                              |               |       |
| Homeland Security Grants                     | \$ 0                         | \$ 20,132     |       |
| Direct Federal Revenue                       |                              |               |       |
| American Rescue Plan Act Grant #6            | 0                            | 1,218,425     |       |
| Total Federal Government                     | \$ 0                         | \$ 1,238,557  |       |
| <b>Other Governments and Citizens Groups</b> |                              |               |       |
| Other Governments                            |                              |               |       |
| Contributions                                | \$ 0                         | \$ 10,000     |       |
| Contracted Services                          | 0                            | 167,664       |       |
| Other  |                              |               |       |
| Opioid Settlement Funds - Past Remediation   | 0                            | 62,664        |       |
| Total Other Governments and Citizens Groups  | \$ 0                         | \$ 240,328    |       |
| Total  | \$ 354,504                   | \$ 17,385,974 |       |

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

Discretely Presented Sequatchie County School Department

**For the Year Ended June 30, 2024**

|  | <b>Special Revenue Funds</b>     |                         |                   |                 |                            | <b>Capital Projects Fund</b> |
|--|----------------------------------|-------------------------|-------------------|-----------------|----------------------------|------------------------------|
|  | General Purpose School<br>School | School Federal Projects | Central Cafeteria | Internal School | Education Capital Projects | Total                        |
| <b>Local Taxes</b>                                       |                                  |                         |                   |                 |                            |                              |
| County Property Taxes                                    |                                  |                         |                   |                 |                            |                              |
| Current Property Tax                                     | \$ 2,637,971                     | 0 \$                    | 0 \$              | 0 \$            | 0 \$                       | 2,637,971                    |
| Trustee's Collections - Prior Year                       | 102,583                          | 0                       | 0                 | 0               | 0                          | 102,583                      |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 51,852                           | 0                       | 0                 | 0               | 0                          | 51,852                       |
| Interest and Penalty                                     | 18,043                           | 0                       | 0                 | 0               | 0                          | 18,043                       |
| Payments in-Lieu-of Taxes - Local Utilities              | 25,964                           | 0                       | 0                 | 0               | 0                          | 25,964                       |
| Payments in-Lieu-of Taxes - Other                        | 424                              | 0                       | 0                 | 0               | 0                          | 424                          |
| County Local Option Taxes                                |                                  |                         |                   |                 |                            |                              |
| Local Option Sales Tax                                   | 2,570,299                        | 0                       | 0                 | 0               | 0                          | 2,570,299                    |
| Mixed Drink Tax  | 14,049                           | 0                       | 0                 | 0               | 0                          | 14,049                       |
| Statutory Local Taxes                                    |                                  |                         |                   |                 |                            |                              |
| Bank Excise Tax  | 25,913                           | 0                       | 0                 | 0               | 0                          | 25,913                       |
| Total Local Taxes  | \$ 5,447,098                     | 0 \$                    | 0 \$              | 0 \$            | 0 \$                       | 5,447,098                    |
| <b>Licenses and Permits</b>                              |                                  |                         |                   |                 |                            |                              |
| Licenses   |                                  |                         |                   |                 |                            |                              |
| Marriage Licenses  | \$ 1,330                         | 0 \$                    | 0 \$              | 0 \$            | 0 \$                       | 1,330                        |
| Total Licenses and Permits                               | \$ 1,330                         | 0 \$                    | 0 \$              | 0 \$            | 0 \$                       | 1,330                        |
| <b>Charges for Current Services</b>                      |                                  |                         |                   |                 |                            |                              |
| Education Charges  |                                  |                         |                   |                 |                            |                              |
| Lunch Payments - Adults                                  | \$ 0                             | 0 \$                    | 26,854 \$         | 0 \$            | 0 \$                       | 26,854                       |
| A la Carte Sales   | 0                                | 0                       | 42,240            | 0               | 0                          | 42,240                       |
| Receipts from Individual Schools                         | 36,389                           | 0                       | 0                 | 0               | 0                          | 36,389                       |
| Total Charges for Current Services                       | \$ 36,389                        | 0 \$                    | 69,094 \$         | 0 \$            | 0 \$                       | 105,483                      |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

|   | <b>Special Revenue Funds</b> |                         |                   |                   |                            | <b>Capital Projects Fund</b> |
|---|------------------------------|-------------------------|-------------------|-------------------|----------------------------|------------------------------|
|   | General Purpose School       | School Federal Projects | Central Cafeteria | Internal School   | Education Capital Projects | Total                        |
| <b>Other Local Revenues</b>                 |                              |                         |                   |                   |                            |                              |
| Recurring Items                             |                              |                         |                   |                   |                            |                              |
| Investment Income                           | \$ 428,384                   | \$ 0                    | \$ 19,391         | \$ 0              | \$ 0                       | \$ 447,775                   |
| Lease/Rentals/PPP                           | 10,000                       | 0                       | 0                 | 0                 | 0                          | 10,000                       |
| Sale of Recycled Materials                  | 10                           | 0                       | 0                 | 0                 | 0                          | 10                           |
| Miscellaneous Refunds                       | 105,790                      | 0                       | 432               | 0                 | 0                          | 106,222                      |
| Nonrecurring Items                          |                              |                         |                   |                   |                            |                              |
| Sale of Equipment                           | 7,045                        | 0                       | 0                 | 0                 | 0                          | 7,045                        |
| Contributions and Gifts                     | 3,295                        | 0                       | 0                 | 0                 | 0                          | 3,295                        |
| Other Local Revenues                        |                              |                         |                   |                   |                            |                              |
| Other Local Revenues                        | 4,020                        | 0                       | 0                 | 813,696           | 0                          | 817,716                      |
| Total Other Local Revenues                  | <u>\$ 558,544</u>            | <u>\$ 0</u>             | <u>\$ 19,823</u>  | <u>\$ 813,696</u> | <u>\$ 0</u>                | <u>\$ 1,392,063</u>          |
| <b>State of Tennessee</b>                   |                              |                         |                   |                   |                            |                              |
| General Government Grants                   |                              |                         |                   |                   |                            |                              |
| On-behalf Contributions for OPEB            | \$ 13,586                    | \$ 0                    | \$ 0              | \$ 0              | \$ 0                       | \$ 13,586                    |
| State Education Funds                       |                              |                         |                   |                   |                            |                              |
| Tennessee Investment in Student Achievement | 15,325,989                   | 0                       | 0                 | 0                 | 0                          | 15,325,989                   |
| Basic Education Program                     | 55,614                       | 0                       | 0                 | 0                 | 0                          | 55,614                       |
| TISA - On-behalf Payments                   | 36,146                       | 0                       | 0                 | 0                 | 0                          | 36,146                       |
| Early Childhood Education                   | 223,006                      | 0                       | 0                 | 0                 | 0                          | 223,006                      |
| School Food Service                         | 0                            | 0                       | 11,152            | 0                 | 0                          | 11,152                       |
| Driver Education                            | 4,941                        | 0                       | 0                 | 0                 | 0                          | 4,941                        |
| Other State Education Funds                 | 91,869                       | 0                       | 0                 | 0                 | 0                          | 91,869                       |
| Career Ladder Program                       | 19,459                       | 0                       | 0                 | 0                 | 0                          | 19,459                       |
| Other Vocational                            | 989,255                      | 0                       | 0                 | 0                 | 0                          | 989,255                      |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

|  | <b>Special Revenue Funds</b> |                         |                   |                 |                            | <b>Capital Projects Fund</b> |
|--|------------------------------|-------------------------|-------------------|-----------------|----------------------------|------------------------------|
|  | General Purpose School       | School Federal Projects | Central Cafeteria | Internal School | Education Capital Projects | Total                        |
| <b>State of Tennessee (Cont.)</b>                |                              |                         |                   |                 |                            |                              |
| Other State Revenues                             |                              |                         |                   |                 |                            |                              |
| State Revenue Sharing - T.V.A.                   | \$ 120,055                   | \$ 0                    | \$ 0              | \$ 0            | \$ 0                       | \$ 120,055                   |
| Other State Grants                               | 113,060                      | 0                       | 0                 | 0               | 0                          | 113,060                      |
| Total State of Tennessee                         | \$ 16,992,980                | \$ 0                    | \$ 11,152         | \$ 0            | \$ 0                       | \$ 17,004,132                |
| <b>Federal Government</b>                        |                              |                         |                   |                 |                            |                              |
| Federal Through State                            |                              |                         |                   |                 |                            |                              |
| USDA School Lunch Program                        | \$ 0                         | \$ 0                    | \$ 817,340        | \$ 0            | \$ 0                       | \$ 817,340                   |
| USDA - Commodities                               | 0                            | 0                       | 92,822            | 0               | 0                          | 92,822                       |
| Breakfast  | 0                            | 0                       | 318,578           | 0               | 0                          | 318,578                      |
| USDA - Other                                     | 0                            | 0                       | 148,257           | 0               | 0                          | 148,257                      |
| Vocational Education - Basic Grants to States    | 0                            | 108,718                 | 0                 | 0               | 0                          | 108,718                      |
| Other Vocational                                 | 47,063                       | 0                       | 0                 | 0               | 0                          | 47,063                       |
| Title I Grants to Local Education Agencies       | 74,994                       | 687,046                 | 0                 | 0               | 0                          | 762,040                      |
| Special Education - Grants to States             | 64,761                       | 616,095                 | 0                 | 0               | 0                          | 680,856                      |
| Special Education Preschool Grants               | 0                            | 31,555                  | 0                 | 0               | 0                          | 31,555                       |
| Safe and Drug-free Schools - State Grants        | 0                            | 154,248                 | 0                 | 0               | 0                          | 154,248                      |
| Rural Education                                  | 0                            | 69,068                  | 0                 | 0               | 0                          | 69,068                       |
| Eisenhower Professional Development State Grants | 0                            | 85,403                  | 0                 | 0               | 0                          | 85,403                       |
| COVID-19 Grant B                                 | 70,000                       | 31,211                  | 0                 | 0               | 0                          | 101,211                      |
| American Rescue Plan Act Grant #1                | 0                            | 962,245                 | 0                 | 0               | 1,962,257                  | 2,924,502                    |
| American Rescue Plan Act Grant #2                | 0                            | 105                     | 0                 | 0               | 0                          | 105                          |
| American Rescue Plan Act Grant #3                | 0                            | 242                     | 0                 | 0               | 0                          | 242                          |
| American Rescue Plan Act Grant #4                | 0                            | 57,107                  | 0                 | 0               | 0                          | 57,107                       |
| Other Federal through State                      | 47,603                       | 63,450                  | 0                 | 0               | 0                          | 111,053                      |
| Total Federal Government                         | \$ 304,421                   | \$ 2,866,493            | \$ 1,376,997      | \$ 0            | \$ 1,962,257               | \$ 6,510,168                 |
| Total  | \$ 23,340,762                | \$ 2,866,493            | \$ 1,477,066      | \$ 813,696      | \$ 1,962,257               | \$ 30,460,274                |

**SEQUATCHIE 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          | \$ 126,200 |
| Social Security                           | 7,967      |
| Medical Insurance                         | 417        |
| Employer Medicare                         | 1,863      |
| Audit Services                            | 6,700      |
| Dues and Memberships                      | 14,512     |
| Legal Services                            | 725        |
| Legal Notices, Recording, and Court Costs | 3,883      |
| Travel                                    | 4,971      |
| Other Contracted Services                 | 10,984     |
| Other Supplies and Materials              | 5,054      |
| Liability Insurance                       | 163,922    |
| Land                                      | 90,000     |
| Total County Commission                   | \$ 437,198 |

**Board of Equalization**

|                                  |          |
|----------------------------------|----------|
| Board and Committee Members Fees | \$ 2,625 |
| Total Board of Equalization      | 2,625    |

**Beer Board**

|                                  |          |
|----------------------------------|----------|
| Board and Committee Members Fees | \$ 1,200 |
| Total Beer Board                 | 1,200    |

**County Mayor/Executive**

|  |            |
|--|------------|
| County Official/Administrative Officer | \$ 100,157 |
| Assistant(s)                           | 93,047     |
| Instructional Computer Personnel       | 107,937    |
| Other Salaries and Wages               | 24,496     |
| Social Security                        | 20,196     |
| Pensions                               | 23,142     |
| Life Insurance                         | 1,325      |
| Medical Insurance                      | 17,583     |
| Unemployment Compensation              | 147        |
| Employer Medicare                      | 4,723      |
| Communication                          | 10,100     |
| Data Processing Services               | 15,455     |
| Postal Charges                         | 1,964      |
| Travel                                 | 4,996      |
| Other Contracted Services              | 15,853     |
| Office Supplies                        | 1,832      |
| Premiums on Corporate Surety Bonds     | 238        |
| Data Processing Equipment              | 9,600      |
| Office Equipment                       | 100        |
| Total County Mayor/Executive           | 452,891    |

**County Attorney**

|                       |           |
|-----------------------|-----------|
| Consultants           | \$ 12,000 |
| Total County Attorney | 12,000    |

(Continued)

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

**General Fund (Cont.)**

General Government (Cont.)

**Election Commission**

|   |    |         |
|---|----|---------|
| County Official/Administrative Officer      | \$ | 78,044  |
| Deputy(ies)                                 |    | 29,726  |
| Computer Programmer(s)                      |    | 1,200   |
| Clerical Personnel                          |    | 3,910   |
| Election Commission                         |    | 9,450   |
| Election Workers                            |    | 12,010  |
| Social Security                             |    | 6,988   |
| Pensions                                    |    | 7,549   |
| Life Insurance                              |    | 547     |
| Medical Insurance                           |    | 11,814  |
| Unemployment Compensation                   |    | 66      |
| Employer Medicare                           |    | 1,634   |
| Communication                               |    | 2,600   |
| Dues and Memberships                        |    | 35      |
| Legal Notices, Recording, and Court Costs   |    | 2,300   |
| Maintenance and Repair Services - Equipment |    | 965     |
| Postal Charges                              |    | 1,585   |
| Printing, Stationery, and Forms             |    | 754     |
| Rentals                                     |    | 600     |
| Travel                                      |    | 93      |
| Other Contracted Services                   |    | 20,002  |
| Office Supplies                             |    | 4,049   |
| Office Equipment                            |    | 25,551  |
| Total Election Commission                   | \$ | 221,472 |

**Register of Deeds**

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 86,716  |
| Deputy(ies)                            |    | 61,506  |
| In-service Training                    |    | 340     |
| Social Security                        |    | 7,941   |
| Pensions                               |    | 10,361  |
| Life Insurance                         |    | 821     |
| Medical Insurance                      |    | 6,000   |
| Unemployment Compensation              |    | 40      |
| Employer Medicare                      |    | 1,857   |
| Communication                          |    | 2,479   |
| Data Processing Services               |    | 5,888   |
| Dues and Memberships                   |    | 918     |
| Postal Charges                         |    | 200     |
| Rentals                                |    | 1,092   |
| Travel                                 |    | 2,239   |
| Duplicating Supplies                   |    | 595     |
| Office Supplies                        |    | 691     |
| Premiums on Corporate Surety Bonds     |    | 98      |
| Total Register of Deeds                |    | 189,782 |

(Continued)

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

**General Fund (Cont.)**

General Government (Cont.)

**County Buildings**

|   |    |         |
|---|----|---------|
| Laborers                                    | \$ | 35,182  |
| Custodial Personnel                         |    | 33,010  |
| Maintenance Personnel                       |    | 34,569  |
| Part-time Personnel                         |    | 23,334  |
| Social Security                             |    | 7,656   |
| Pensions                                    |    | 7,234   |
| Life Insurance                              |    | 1,375   |
| Medical Insurance                           |    | 12,239  |
| Unemployment Compensation                   |    | 128     |
| Employer Medicare                           |    | 1,790   |
| Lease/SBITA Payments                        |    | 4,000   |
| Maintenance Agreements                      |    | 23,853  |
| Maintenance and Repair Services - Buildings |    | 131,451 |
| Maintenance and Repair Services - Vehicles  |    | 1,794   |
| Other Contracted Services                   |    | 12,448  |
| Custodial Supplies                          |    | 2,004   |
| Diesel Fuel                                 |    | 1,291   |
| Duplicating Supplies                        |    | 207     |
| Electricity                                 |    | 121,762 |
| Gasoline                                    |    | 11,966  |
| Natural Gas                                 |    | 34,314  |
| Uniforms                                    |    | 94      |
| Water and Sewer                             |    | 56,167  |
| Other Supplies and Materials                |    | 4,889   |
| Total County Buildings                      | \$ | 562,757 |

Finance

**Property Assessor's Office**

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer     | \$ | 86,716  |
| Secretary(ies)                             |    | 137,497 |
| Social Security                            |    | 13,480  |
| Pensions                                   |    | 15,399  |
| Life Insurance                             |    | 1,681   |
| Medical Insurance                          |    | 11,235  |
| Unemployment Compensation                  |    | 132     |
| Employer Medicare                          |    | 3,153   |
| Audit Services                             |    | 855     |
| Communication                              |    | 3,263   |
| Data Processing Services                   |    | 9,665   |
| Dues and Memberships                       |    | 1,100   |
| Maintenance and Repair Services - Vehicles |    | 534     |
| Postal Charges                             |    | 889     |
| Printing, Stationery, and Forms            |    | 240     |
| Travel                                     |    | 172     |
| Gasoline                                   |    | 1,803   |
| Office Supplies                            |    | 2,082   |
| Office Equipment                           |    | 3,280   |
| Total Property Assessor's Office           |    | 293,176 |

(Continued)

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

## Finance (Cont.)

**Reappraisal Program**

|                           |    |        |
|---------------------------|----|--------|
| Secretary(ies)            | \$ | 6,466  |
| Social Security           |    | 496    |
| Medical Insurance         |    | 1,224  |
| Unemployment Compensation |    | 3      |
| Employer Medicare         |    | 116    |
| Other Contracted Services |    | 6,827  |
| Total Reappraisal Program | \$ | 15,132 |

**County Trustee's Office**

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer             | \$ | 86,716  |
| Deputy(ies)  |    | 74,506  |
| Part-time Personnel                                |    | 25,922  |
| Overtime Pay                                       |    | 564     |
| Social Security                                    |    | 11,482  |
| Pensions   |    | 11,691  |
| Life Insurance                                     |    | 954     |
| Medical Insurance                                  |    | 12,000  |
| Unemployment Compensation                          |    | 83      |
| Employer Medicare                                  |    | 2,685   |
| Communication                                      |    | 2,349   |
| Data Processing Services                           |    | 2,320   |
| Dues and Memberships                               |    | 918     |
| Legal Notices, Recording, and Court Costs          |    | 345     |
| Maintenance and Repair Services - Office Equipment |    | 14,609  |
| Postal Charges                                     |    | 9,600   |
| Travel   |    | 433     |
| Other Contracted Services                          |    | 600     |
| Office Supplies                                    |    | 2,786   |
| Premiums on Corporate Surety Bonds                 |    | 2,558   |
| Office Equipment                                   |    | 1,258   |
| Total County Trustee's Office                      |    | 264,379 |

**County Clerk's Office**

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer             | \$ | 86,716  |
| Deputy(ies)  |    | 182,331 |
| Part-time Personnel                                |    | 5,615   |
| Social Security                                    |    | 16,318  |
| Pensions   |    | 18,246  |
| Life Insurance                                     |    | 1,724   |
| Medical Insurance                                  |    | 21,000  |
| Unemployment Compensation                          |    | 162     |
| Employer Medicare                                  |    | 3,816   |
| Communication                                      |    | 6,334   |
| Data Processing Services                           |    | 385     |
| Dues and Memberships                               |    | 888     |
| Maintenance and Repair Services - Office Equipment |    | 22,990  |
| Postal Charges                                     |    | 9,484   |

(Continued)

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

## Finance (Cont.)

**County Clerk's Office (Cont.)**

|                                    |    |         |
|------------------------------------|----|---------|
| Travel                             | \$ | 1,329   |
| Office Supplies                    |    | 7,864   |
| Premiums on Corporate Surety Bonds |    | 98      |
| Office Equipment                   |    | 2,934   |
| Total County Clerk's Office        | \$ | 388,234 |

## Administration of Justice

**Circuit Court**

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 86,716  |
| Deputy(ies)                            |    | 101,658 |
| Social Security                        |    | 10,808  |
| Pensions                               |    | 13,248  |
| Life Insurance                         |    | 1,039   |
| Medical Insurance                      |    | 22,835  |
| Unemployment Compensation              |    | 63      |
| Employer Medicare                      |    | 2,528   |
| Communication                          |    | 1,782   |
| Data Processing Services               |    | 16,357  |
| Dues and Memberships                   |    | 645     |
| Postal Charges                         |    | 1,950   |
| Rentals                                |    | 8,343   |
| Office Supplies                        |    | 10,000  |
| Premiums on Corporate Surety Bonds     |    | 98      |
| Total Circuit Court                    |    | 278,070 |

**General Sessions Court**

|                              |    |         |
|------------------------------|----|---------|
| Judge(s)                     | \$ | 109,664 |
| In-service Training          |    | 403     |
| Social Security              |    | 5,692   |
| Medical Insurance            |    | 6,000   |
| Employer Medicare            |    | 1,331   |
| Dues and Memberships         |    | 150     |
| Travel                       |    | 862     |
| Total General Sessions Court |    | 124,102 |

**Drug Court**

|                  |    |       |
|------------------|----|-------|
| Drug Treatment   | \$ | 1,527 |
| Total Drug Court |    | 1,527 |

**Chancery Court**

|  |    |        |
|--|----|--------|
| County Official/Administrative Officer | \$ | 86,716 |
| Assistant(s)                           |    | 35,343 |
| Part-time Personnel                    |    | 11,608 |
| Social Security                        |    | 8,191  |
| Pensions                               |    | 8,532  |
| Life Insurance                         |    | 709    |
| Medical Insurance                      |    | 6,000  |

(Continued)

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****General Fund (Cont.)****Administration of Justice (Cont.)****Chancery Court (Cont.)**

|                           |    |            |
|---------------------------|----|------------|
| Unemployment Compensation | \$ | 63         |
| Employer Medicare         |    | 1,916      |
| Communication             |    | 1,269      |
| Dues and Memberships      |    | 863        |
| Postal Charges            |    | 724        |
| Rentals                   |    | 645        |
| Office Supplies           |    | 929        |
| Data Processing Equipment |    | 7,962      |
| Office Equipment          |    | 40,778     |
| Total Chancery Court      |    | \$ 212,248 |

**Juvenile Court**

|                           |    |         |
|---------------------------|----|---------|
| Youth Service Officer(s)  | \$ | 58,926  |
| Part-time Personnel       |    | 19,920  |
| In-service Training       |    | 415     |
| Social Security           |    | 4,581   |
| Pensions                  |    | 4,463   |
| Life Insurance            |    | 274     |
| Medical Insurance         |    | 6,000   |
| Unemployment Compensation |    | 21      |
| Employer Medicare         |    | 1,071   |
| Communication             |    | 3,856   |
| Dues and Memberships      |    | 100     |
| Travel                    |    | 1,189   |
| Other Contracted Services |    | 28,426  |
| Office Supplies           |    | 1,008   |
| Other Equipment           |    | 564     |
| Total Juvenile Court      |    | 130,814 |

**Judicial Commissioners**

|  |    |        |
|--|----|--------|
| County Official/Administrative Officer | \$ | 35,500 |
| Social Security                        |    | 2,201  |
| Unemployment Compensation              |    | 21     |
| Employer Medicare                      |    | 515    |
| Office Supplies                        |    | 208    |
| Total Judicial Commissioners           |    | 38,445 |

**Public Safety****Sheriff's Department**

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 95,388  |
| Deputy(ies)                            |    | 581,566 |
| Investigator(s)                        |    | 134,818 |
| Accountants/Bookkeepers                |    | 37,117  |
| Salary Supplements                     |    | 12,000  |
| Nightwatchmen                          |    | 98,295  |
| Secretary(ies)                         |    | 32,205  |
| School Resource Officer                |    | 130,063 |

(Continued)

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

**General Fund (Cont.)**

Public Safety (Cont.)

**Sheriff's Department (Cont.)**

|   |              |
|---|--------------|
| Overtime Pay                                | \$ 35,210    |
| In-service Training                         | 7,350        |
| Social Security                             | 71,317       |
| Pensions                                    | 70,472       |
| Life Insurance                              | 5,329        |
| Medical Insurance                           | 94,721       |
| Unemployment Compensation                   | 623          |
| Employer Medicare                           | 16,679       |
| Other Fringe Benefits                       | 40,965       |
| Communication                               | 18,094       |
| Dues and Memberships                        | 2,702        |
| Maintenance and Repair Services - Equipment | 9,571        |
| Maintenance and Repair Services - Vehicles  | 35,377       |
| Postal Charges                              | 1,014        |
| Travel                                      | 8,237        |
| Drugs and Medical Supplies                  | 1,400        |
| Gasoline                                    | 79,003       |
| Law Enforcement Supplies                    | 22,621       |
| Office Supplies                             | 5,459        |
| Uniforms                                    | 9,229        |
| Premiums on Corporate Surety Bonds          | 1,481        |
| Principal on Other Loans                    | 37,376       |
| Interest on Other Loans                     | 4,811        |
| Data Processing Equipment                   | 8,687        |
| Motor Vehicles                              | 273,228      |
| Total Sheriff's Department                  | \$ 1,982,408 |

**Jail**

|   |           |
|---|-----------|
| Supervisor/Director                         | \$ 50,856 |
| Deputy(ies)                                 | 850,972   |
| Overtime Pay                                | 46,224    |
| In-service Training                         | 9,910     |
| Social Security                             | 60,262    |
| Pensions                                    | 79,094    |
| Life Insurance                              | 5,976     |
| Medical Insurance                           | 107,516   |
| Unemployment Compensation                   | 750       |
| Employer Medicare                           | 14,094    |
| Other Fringe Benefits                       | 40,898    |
| Communication                               | 1,922     |
| Maintenance and Repair Services - Buildings | 39,517    |
| Maintenance and Repair Services - Equipment | 34,419    |
| Rentals                                     | 3,112     |
| Travel                                      | 2,770     |
| Drugs and Medical Supplies                  | 246,880   |
| Food Supplies                               | 222,156   |
| Law Enforcement Supplies                    | 14,417    |

(Continued)

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

## Public Safety (Cont.)

**Jail (Cont.)**

|                              |    |           |  |
|------------------------------|----|-----------|--|
| Office Supplies              | \$ | 5,866     |  |
| Uniforms                     |    | 9,655     |  |
| Other Supplies and Materials |    | 43,990    |  |
| Data Processing Equipment    |    | 7,664     |  |
| Total Jail                   | \$ | 1,898,920 |  |

**Fire Prevention and Control**

|                                      |    |         |  |
|--------------------------------------|----|---------|--|
| Contracts with Other Public Agencies | \$ | 1,000   |  |
| Contributions                        |    | 150,000 |  |
| Total Fire Prevention and Control    |    | 151,000 |  |

**Rescue Squad**

|                    |    |        |  |
|--------------------|----|--------|--|
| Contributions      | \$ | 25,000 |  |
| Total Rescue Squad |    | 25,000 |  |

**Other Emergency Management**

|   |    |         |  |
|---|----|---------|--|
| County Official/Administrative Officer      | \$ | 22,816  |  |
| Part-time Personnel                         |    | 19,729  |  |
| Social Security                             |    | 2,571   |  |
| Pensions                                    |    | 1,473   |  |
| Life Insurance                              |    | 821     |  |
| Medical Insurance                           |    | 5,474   |  |
| Unemployment Compensation                   |    | 67      |  |
| Employer Medicare                           |    | 601     |  |
| Communication                               |    | 4,064   |  |
| Dues and Memberships                        |    | 55      |  |
| Maintenance and Repair Services - Equipment |    | 48,962  |  |
| Maintenance and Repair Services - Vehicles  |    | 1,722   |  |
| Gasoline                                    |    | 3,356   |  |
| Uniforms                                    |    | 423     |  |
| Other Supplies and Materials                |    | 12,234  |  |
| Law Enforcement Equipment                   |    | 5,345   |  |
| Other Equipment                             |    | 549     |  |
| Total Other Emergency Management            |    | 130,262 |  |

**County Coroner/Medical Examiner**

|                                       |    |        |  |
|---------------------------------------|----|--------|--|
| Consultants                           | \$ | 12,000 |  |
| Pauper Burials                        |    | 78,781 |  |
| Total County Coroner/Medical Examiner |    | 90,781 |  |

## Public Health and Welfare

**Local Health Center**

|   |    |       |  |
|---|----|-------|--|
| Life Insurance                              | \$ | 925   |  |
| Communication                               |    | 4,724 |  |
| Contracts with Government Agencies          |    | 3,378 |  |
| Dues and Memberships                        |    | 375   |  |
| Maintenance and Repair Services - Buildings |    | 904   |  |

(Continued)

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

## Public Health and Welfare (Cont.)

**Local Health Center (Cont.)**

|                              |          |           |
|------------------------------|----------|-----------|
| Other Contracted Services    | \$ 9,320 |           |
| Office Supplies              | 50       |           |
| Other Supplies and Materials | 251      |           |
| Total Local Health Center    |          | \$ 19,927 |

**Ambulance/Emergency Medical Services**

|  |            |         |
|--|------------|---------|
| Other Contracted Services                  | \$ 215,813 |         |
| Total Ambulance/Emergency Medical Services |            | 215,813 |

**Other Local Health Services**

|                                   |            |         |
|-----------------------------------|------------|---------|
| Medical Personnel                 | \$ 118,371 |         |
| Social Security                   | 7,075      |         |
| Pensions                          | 8,274      |         |
| Medical Insurance                 | 11,250     |         |
| Unemployment Compensation         | 106        |         |
| Employer Medicare                 | 1,655      |         |
| Travel                            | 8,453      |         |
| Total Other Local Health Services |            | 155,184 |

**Other Public Health and Welfare**

|                                       |           |        |
|---------------------------------------|-----------|--------|
| Contributions                         | \$ 20,000 |        |
| Total Other Public Health and Welfare |           | 20,000 |

## Social, Cultural, and Recreational Services

**Senior Citizens Assistance**

|                                  |           |        |
|----------------------------------|-----------|--------|
| Contributions                    | \$ 10,000 |        |
| Custodial Supplies               | 35        |        |
| Total Senior Citizens Assistance |           | 10,035 |

**Libraries**

|   |           |         |
|---|-----------|---------|
| Supervisor/Director                         | \$ 44,067 |         |
| Clerical Personnel                          | 50,710    |         |
| Part-time Personnel                         | 14,806    |         |
| Social Security                             | 6,571     |         |
| Pensions                                    | 6,719     |         |
| Life Insurance                              | 754       |         |
| Medical Insurance                           | 8,761     |         |
| Unemployment Compensation                   | 114       |         |
| Employer Medicare                           | 1,537     |         |
| Communication                               | 6,244     |         |
| Dues and Memberships                        | 310       |         |
| Maintenance and Repair Services - Buildings | 673       |         |
| Travel                                      | 678       |         |
| Library Books/Media                         | 5,877     |         |
| Office Supplies                             | 2,403     |         |
| Other Supplies and Materials                | 500       |         |
| Other Equipment                             | 2,860     |         |
| Total Libraries                             |           | 153,584 |

(Continued)

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

## Social, Cultural, and Recreational Services (Cont.)

**Parks and Fair Boards**

|   |           |            |
|---|-----------|------------|
| Contributions                               | \$ 15,000 |            |
| Maintenance and Repair Services - Buildings | 63,910    |            |
| Other Contracted Services                   | 30,805    |            |
| Electricity                                 | 7,934     |            |
| Water and Sewer                             | 2,577     |            |
| Other Supplies and Materials                | 10,834    |            |
| Total Parks and Fair Boards                 |           | \$ 131,060 |

**Other Social, Cultural, and Recreational**

|  |           |        |
|--|-----------|--------|
| Contributions                                  | \$ 10,750 |        |
| Total Other Social, Cultural, and Recreational |           | 10,750 |

## Agriculture and Natural Resources

**Agricultural Extension Service**

|                                      |           |        |
|--------------------------------------|-----------|--------|
| Salary Supplements                   | \$ 60,284 |        |
| Employer Medicare                    | 19,208    |        |
| Communication                        | 2,897     |        |
| Contributions                        | 10,200    |        |
| Total Agricultural Extension Service |           | 92,589 |

**Soil Conservation**

|                         |           |        |
|-------------------------|-----------|--------|
| Contributions           | \$ 25,900 |        |
| Total Soil Conservation |           | 25,900 |

**Flood Control**

|                                  |        |     |
|----------------------------------|--------|-----|
| Board and Committee Members Fees | \$ 500 |     |
| Medical Insurance                | 26     |     |
| Other Contracted Services        | 100    |     |
| Total Flood Control              |        | 626 |

## Other Operations

**Tourism**

|                                    |           |         |
|------------------------------------|-----------|---------|
| Consultants                        | \$ 14,500 |         |
| Contracts with Government Agencies | 107,096   |         |
| Contributions                      | 50,000    |         |
| Total Tourism                      |           | 171,596 |

**Other Economic and Community Development**

|  |          |         |
|--|----------|---------|
| Consultants                                    | \$ 5,000 |         |
| Contracts with Government Agencies             | 268,026  |         |
| Contracts with Other Public Agencies           | 168,100  |         |
| Total Other Economic and Community Development |          | 441,126 |

**Veterans' Services**

|                    |           |  |
|--------------------|-----------|--|
| Clerical Personnel | \$ 27,828 |  |
| Social Security    | 1,725     |  |
| Life Insurance     | 274       |  |

(Continued)

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

**General Fund (Cont.)**

Other Operations (Cont.)

**Veterans' Services (Cont.)**

|                           |    |           |
|---------------------------|----|-----------|
| Unemployment Compensation | \$ | 21        |
| Employer Medicare         |    | 404       |
| Communication             |    | 1,265     |
| Data Processing Services  |    | 449       |
| Postal Charges            |    | 62        |
| Travel                    |    | 1,265     |
| Custodial Supplies        |    | 130       |
| Office Supplies           |    | 470       |
| Other Equipment           |    | 253       |
| Total Veterans' Services  |    | \$ 34,146 |

**Other Charges**

|                                 |    |            |
|---------------------------------|----|------------|
| Trustee's Commission            | \$ | 132,727    |
| Workers' Compensation Insurance |    | 70,583     |
| Total Other Charges             |    | \$ 203,310 |

Total General Fund

\$ 9,590,069

**Solid Waste/Sanitation Fund**

Public Health and Welfare

**Sanitation Education/Information**

|  |    |           |
|--|----|-----------|
| Truck Drivers                              | \$ | 18,600    |
| Secretary(ies)                             |    | 9,600     |
| Social Security                            |    | 1,748     |
| Unemployment Compensation                  |    | 42        |
| Employer Medicare                          |    | 409       |
| Maintenance and Repair Services - Vehicles |    | 401       |
| Gasoline                                   |    | 2,991     |
| Instructional Supplies and Materials       |    | 7,795     |
| Other Supplies and Materials               |    | 570       |
| Total Sanitation Education/Information     |    | \$ 42,156 |

**Waste Pickup**

|  |    |            |
|--|----|------------|
| Supervisor/Director                        | \$ | 11,767     |
| Equipment Operators                        |    | 80,804     |
| Part-time Personnel                        |    | 12,169     |
| Social Security                            |    | 6,185      |
| Pensions                                   |    | 5,648      |
| Life Insurance                             |    | 937        |
| Medical Insurance                          |    | 12,000     |
| Unemployment Compensation                  |    | 58         |
| Employer Medicare                          |    | 1,447      |
| Maintenance and Repair Services - Vehicles |    | 29,999     |
| Diesel Fuel                                |    | 71,328     |
| Gasoline                                   |    | 4,241      |
| Lubricants                                 |    | 4,490      |
| Other Equipment                            |    | 325,594    |
| Total Waste Pickup                         |    | \$ 566,667 |

(Continued)

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Solid Waste/Sanitation Fund (Cont.)**

## Public Health and Welfare (Cont.)

**Convenience Centers**

|   |            |
|---|------------|
| Attendants                                  | \$ 185,951 |
| Part-time Personnel                         | 10,377     |
| Social Security                             | 12,000     |
| Pensions                                    | 9,500      |
| Life Insurance                              | 2,164      |
| Medical Insurance                           | 21,500     |
| Unemployment Compensation                   | 242        |
| Employer Medicare                           | 2,774      |
| Communication                               | 2,669      |
| Maintenance and Repair Services - Buildings | 25,442     |
| Other Contracted Services                   | 4,980      |
| Electricity                                 | 5,984      |
| Water and Sewer                             | 1,742      |
| Other Supplies and Materials                | 1,980      |
| Total Convenience Centers                   | \$ 287,305 |

**Other Waste Collection**

|                                   |           |
|-----------------------------------|-----------|
| Contracts with Private Agencies   | \$ 39,529 |
| Contracts for Landfill Facilities | 225,000   |
| Total Other Waste Collection      | 264,529   |

**Landfill Operation and Maintenance**

|  |           |
|--|-----------|
| Contracts for Postclosure Care Costs     | \$ 10,701 |
| Total Landfill Operation and Maintenance | 10,701    |

**Other Operations****Other Charges**

|                      |           |
|----------------------|-----------|
| Trustee's Commission | \$ 25,039 |
| Total Other Charges  | 25,039    |

Total Solid Waste/Sanitation Fund

\$ 1,196,397

**Drug Control Fund**

## Public Safety

**Drug Enforcement**

|                              |            |
|------------------------------|------------|
| Contributions                | \$ 12,300  |
| Other Supplies and Materials | 932        |
| Trustee's Commission         | 105        |
| Motor Vehicles               | 93,800     |
| Total Drug Enforcement       | \$ 107,137 |

Total Drug Control Fund

107,137

**Other General Government Fund**

## Other Operations

**American Rescue Plan Act Grant #1**

|   |            |
|---|------------|
| Other Contracted Services               | \$ 127,154 |
| Total American Rescue Plan Act Grant #1 | \$ 127,154 |

Total Other General Government Fund

127,154

(Continued)

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Highway/Public Works Fund****Highways****Administration**

|   |    |         |
|---|----|---------|
| County Official/Administrative Officer    | \$ | 95,388  |
| Accountants/Bookkeepers                   |    | 87,538  |
| Clerical Personnel                        |    | 42,402  |
| Overtime Pay                              |    | 3,917   |
| Bonus Payments                            |    | 1,500   |
| Employee and Dependent Insurance          |    | 42,437  |
| Data Processing Services                  |    | 32,717  |
| Dues and Memberships                      |    | 2,427   |
| Evaluation and Testing                    |    | 2,820   |
| Legal Notices, Recording, and Court Costs |    | 1,192   |
| Pest Control                              |    | 495     |
| Postal Charges                            |    | 216     |
| Travel                                    |    | 310     |
| Data Processing Supplies                  |    | 214     |
| Office Supplies                           |    | 3,877   |
| Other Charges                             |    | 610     |
| Total Administration                      | \$ | 318,060 |

**Highway and Bridge Maintenance**

|                                      |    |           |
|--------------------------------------|----|-----------|
| Foremen                              | \$ | 8,949     |
| Equipment Operators                  |    | 204,193   |
| Truck Drivers                        |    | 81,590    |
| Laborers                             |    | 164,518   |
| Temporary Personnel                  |    | 41,401    |
| Part-time Personnel                  |    | 16,335    |
| Overtime Pay                         |    | 37,566    |
| Bonus Payments                       |    | 4,717     |
| Employee and Dependent Insurance     |    | 104,586   |
| Engineering Services                 |    | 32,917    |
| Other Contracted Services            |    | 401,138   |
| Asphalt - Hot Mix                    |    | 862,509   |
| Asphalt - Liquid                     |    | 98,890    |
| Crushed Stone                        |    | 26,835    |
| Other Road Materials                 |    | 2,522     |
| Pipe                                 |    | 237       |
| Road Signs                           |    | 8,863     |
| Salt                                 |    | 23,193    |
| Total Highway and Bridge Maintenance |    | 2,120,959 |

**Operation and Maintenance of Equipment**

|   |    |        |
|---|----|--------|
| Mechanic(s)                                 | \$ | 49,199 |
| Nightwatchmen                               |    | 19,950 |
| Overtime Pay                                |    | 4,111  |
| Bonus Payments                              |    | 1,000  |
| Employee and Dependent Insurance            |    | 20,274 |
| Maintenance and Repair Services - Equipment |    | 13,744 |
| Other Contracted Services                   |    | 650    |

(Continued)

**SEQUATCHIE COUNTY, TENNESSEE****Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Highway/Public Works Fund (Cont.)****Highways (Cont.)****Operation and Maintenance of Equipment (Cont.)**

|  |    |         |
|--|----|---------|
| Diesel Fuel                                  | \$ | 45,439  |
| Equipment and Machinery Parts                |    | 24,584  |
| Garage Supplies                              |    | 11,506  |
| Gasoline                                     |    | 25,246  |
| Lubricants                                   |    | 5,969   |
| Propane Gas                                  |    | 3,215   |
| Small Tools                                  |    | 1,248   |
| Tires and Tubes                              |    | 4,542   |
| Uniforms                                     |    | 2,633   |
| Other Supplies and Materials                 |    | 3,370   |
| Total Operation and Maintenance of Equipment | \$ | 236,680 |

**Other Charges**

|                                 |    |        |
|---------------------------------|----|--------|
| Communication                   | \$ | 7,690  |
| Electricity                     |    | 3,622  |
| Natural Gas                     |    | 414    |
| Water and Sewer                 |    | 843    |
| Trustee's Commission            |    | 20,882 |
| Vehicle and Equipment Insurance |    | 40,902 |
| Total Other Charges             |    | 74,353 |

**Employee Benefits**

|                                  |    |         |
|----------------------------------|----|---------|
| Social Security                  | \$ | 65,909  |
| Pensions                         |    | 55,590  |
| Employee and Dependent Insurance |    | 3,922   |
| Unemployment Compensation        |    | 1,182   |
| Workers' Compensation Insurance  |    | 46,500  |
| Total Employee Benefits          |    | 173,103 |

**Capital Outlay**

|                       |    |         |
|-----------------------|----|---------|
| Building Construction | \$ | 34,400  |
| Highway Equipment     |    | 159,020 |
| State Aid Projects    |    | 400,719 |
| Total Capital Outlay  |    | 594,139 |

## Total Highway/Public Works Fund

\$ 3,517,294

**General Debt Service Fund****Principal on Debt****General Government**

|                          |    |         |
|--------------------------|----|---------|
| Principal on Other Loans | \$ | 272,000 |
| Total General Government | \$ | 272,000 |

**Interest on Debt****General Government**

|                          |    |        |
|--------------------------|----|--------|
| Interest on Other Loans  | \$ | 98,055 |
| Total General Government |    | 98,055 |

(Continued)

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

**General Debt Service Fund (Cont.)**

Other Debt Service

**General Government**

|                          |                  |
|--------------------------|------------------|
| Trustee's Commission     | \$ 7,244         |
| Other Debt Service       | <u>19,082</u>    |
| Total General Government | \$ <u>26,326</u> |

Total General Debt Service Fund

\$ 396,381

**General Capital Projects Fund**

General Government

**County Buildings**

|  |           |
|--|-----------|
| Heating and Air Conditioning Equipment | \$ 69,419 |
| Total County Buildings                 | \$ 69,419 |

Capital Projects

**Public Utility Projects**

|                               |                  |
|-------------------------------|------------------|
| Other Contracted Services     | \$ 23,800        |
| Trustee's Commission          | <u>6,889</u>     |
| Total Public Utility Projects | \$ <u>30,689</u> |

Total General Capital Projects Fund

100,108

Total Governmental Funds - Primary Government

\$ 15,034,540

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

Discretely Presented Sequatchie County School Department

**For the Year Ended June 30, 2024****General Purpose School Fund**

## Instruction

**Regular Instruction Program**

|                                      |    |           |
|--------------------------------------|----|-----------|
| Teachers                             | \$ | 5,963,346 |
| Career Ladder Program                |    | 11,000    |
| Career Ladder Extended Contracts     |    | 11,340    |
| Homebound Teachers                   |    | 6,957     |
| Educational Assistants               |    | 346,694   |
| Other Salaries and Wages             |    | 392       |
| Certified Substitute Teachers        |    | 36,101    |
| Non-certified Substitute Teachers    |    | 59,174    |
| Social Security                      |    | 372,082   |
| Pensions                             |    | 420,978   |
| Medical Insurance                    |    | 966,223   |
| Employer Medicare                    |    | 87,019    |
| Retirement - Hybrid Stabilization    |    | 26,763    |
| Travel                               |    | 1,168     |
| Instructional Supplies and Materials |    | 115,685   |
| Textbooks - Bound                    |    | 71,042    |
| Software                             |    | 30,860    |
| TISA - On-behalf Payments            |    | 36,146    |
| Other Charges                        |    | 11,277    |
| Regular Instruction Equipment        |    | 302,092   |
| Total Regular Instruction Program    | \$ | 8,876,339 |

**Alternative Instruction Program**

|                                       |    |        |
|---------------------------------------|----|--------|
| Teachers                              | \$ | 60,016 |
| Educational Assistants                |    | 17,700 |
| Social Security                       |    | 4,691  |
| Pensions                              |    | 5,324  |
| Medical Insurance                     |    | 6,966  |
| Employer Medicare                     |    | 1,097  |
| Other Supplies and Materials          |    | 731    |
| In Service/Staff Development          |    | 389    |
| Total Alternative Instruction Program |    | 96,914 |

**Special Education Program**

|                                   |    |           |
|-----------------------------------|----|-----------|
| Teachers                          | \$ | 1,134,138 |
| Homebound Teachers                |    | 12,320    |
| Educational Assistants            |    | 388,019   |
| Other Salaries and Wages          |    | 43,167    |
| Certified Substitute Teachers     |    | 13,944    |
| Non-certified Substitute Teachers |    | 20,458    |
| Social Security                   |    | 91,875    |
| Pensions                          |    | 99,404    |
| Medical Insurance                 |    | 263,887   |
| Employer Medicare                 |    | 21,964    |
| Retirement - Hybrid Stabilization |    | 10,188    |
| Contracts with Private Agencies   |    | 305,163   |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Instruction (Cont.)

**Special Education Program (Cont.)**

|                                      |    |           |
|--------------------------------------|----|-----------|
| Other Contracted Services            | \$ | 442       |
| Instructional Supplies and Materials |    | 13,497    |
| Textbooks - Bound                    |    | 45,297    |
| Other Supplies and Materials         |    | 2,168     |
| Special Education Equipment          |    | 23,535    |
| Total Special Education Program      | \$ | 2,489,466 |

**Career and Technical Education Program**

|  |    |           |
|--|----|-----------|
| Teachers                                     | \$ | 459,282   |
| Non-certified Substitute Teachers            |    | 1,562     |
| Social Security                              |    | 28,232    |
| Pensions                                     |    | 30,979    |
| Medical Insurance                            |    | 75,207    |
| Employer Medicare                            |    | 6,605     |
| Retirement - Hybrid Stabilization            |    | 5,912     |
| Other Contracted Services                    |    | 1,872     |
| Instructional Supplies and Materials         |    | 22,078    |
| Software                                     |    | 21,697    |
| Other Supplies and Materials                 |    | 28,866    |
| Other Charges                                |    | 256       |
| Vocational Instruction Equipment             |    | 356,759   |
| Other Equipment                              |    | 1,585     |
| Total Career and Technical Education Program |    | 1,040,892 |

**Student Body Education Program**

|                                      |    |        |
|--------------------------------------|----|--------|
| Other Salaries and Wages             | \$ | 25,572 |
| Social Security                      |    | 1,604  |
| Pensions                             |    | 1,733  |
| Employer Medicare                    |    | 375    |
| Total Student Body Education Program |    | 29,284 |

## Support Services

**Attendance**

|                              |    |         |
|------------------------------|----|---------|
| Supervisor/Director          | \$ | 98,778  |
| Clerical Personnel           |    | 23,678  |
| Social Security              |    | 6,319   |
| Pensions                     |    | 8,382   |
| Medical Insurance            |    | 28,400  |
| Employer Medicare            |    | 1,478   |
| Other Supplies and Materials |    | 2,294   |
| In Service/Staff Development |    | 4,960   |
| Total Attendance             |    | 174,289 |

**Health Services**

|                     |    |        |
|---------------------|----|--------|
| Supervisor/Director | \$ | 51,259 |
| Medical Personnel   |    | 80,367 |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services (Cont.)

**Health Services (Cont.)**

|                                   |    |         |
|-----------------------------------|----|---------|
| Certified Substitute Teachers     | \$ | 450     |
| Social Security                   |    | 7,812   |
| Pensions                          |    | 8,915   |
| Medical Insurance                 |    | 7,506   |
| Employer Medicare                 |    | 1,827   |
| Retirement - Hybrid Stabilization |    | 1,137   |
| Communication                     |    | 669     |
| Postal Charges                    |    | 68      |
| Travel                            |    | 1,009   |
| Other Contracted Services         |    | 1,000   |
| Other Supplies and Materials      |    | 29,813  |
| In Service/Staff Development      |    | 590     |
| Total Health Services             | \$ | 192,422 |

**Other Student Support**

|                                   |    |         |
|-----------------------------------|----|---------|
| Guidance Personnel                | \$ | 353,570 |
| Other Salaries and Wages          |    | 19,074  |
| Social Security                   |    | 21,775  |
| Pensions                          |    | 26,113  |
| Medical Insurance                 |    | 40,203  |
| Employer Medicare                 |    | 5,093   |
| Retirement - Hybrid Stabilization |    | 4,804   |
| Evaluation and Testing            |    | 550     |
| Travel                            |    | 6,583   |
| Other Supplies and Materials      |    | 14,609  |
| In Service/Staff Development      |    | 1,587   |
| Other Charges                     |    | 633     |
| Total Other Student Support       |    | 494,594 |

**Regular Instruction Program**

|                                   |    |         |
|-----------------------------------|----|---------|
| Supervisor/Director               | \$ | 181,990 |
| Career Ladder Program             |    | 2,000   |
| Librarians                        |    | 164,026 |
| Clerical Personnel                |    | 48,560  |
| Social Security                   |    | 22,294  |
| Pensions                          |    | 26,932  |
| Medical Insurance                 |    | 73,177  |
| Employer Medicare                 |    | 5,214   |
| Retirement - Hybrid Stabilization |    | 1,262   |
| Travel                            |    | 904     |
| Other Contracted Services         |    | 166,525 |
| Library Books/Media               |    | 12,000  |
| Other Supplies and Materials      |    | 85,144  |
| In Service/Staff Development      |    | 41,591  |
| Total Regular Instruction Program |    | 831,619 |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services (Cont.)

**Special Education Program**

|                                   |    |         |
|-----------------------------------|----|---------|
| Supervisor/Director               | \$ | 87,598  |
| Psychological Personnel           |    | 56,064  |
| Clerical Personnel                |    | 21,929  |
| Other Salaries and Wages          |    | 10,475  |
| Social Security                   |    | 10,713  |
| Pensions                          |    | 11,829  |
| Medical Insurance                 |    | 1,620   |
| Employer Medicare                 |    | 2,506   |
| Retirement - Hybrid Stabilization |    | 1,393   |
| Contracts with Private Agencies   |    | 894     |
| Travel                            |    | 1,658   |
| Other Contracted Services         |    | 57,790  |
| Other Supplies and Materials      |    | 3,900   |
| In Service/Staff Development      |    | 1,884   |
| Other Charges                     |    | 2,371   |
| Other Equipment                   |    | 1,758   |
| Total Special Education Program   | \$ | 274,382 |

**Technology**

|                              |    |         |
|------------------------------|----|---------|
| Supervisor/Director          | \$ | 63,945  |
| Data Processing Personnel    |    | 36,576  |
| Other Salaries and Wages     |    | 32,222  |
| Social Security              |    | 7,712   |
| Pensions                     |    | 9,269   |
| Medical Insurance            |    | 19,914  |
| Employer Medicare            |    | 1,804   |
| Internet Connectivity        |    | 4,500   |
| Software                     |    | 67,183  |
| Other Supplies and Materials |    | 266     |
| In Service/Staff Development |    | 2,344   |
| Other Equipment              |    | 175,394 |
| Total Technology             |    | 421,129 |

**Other Programs**

|                            |    |        |
|----------------------------|----|--------|
| On-behalf Payments to OPEB | \$ | 13,586 |
| Total Other Programs       |    | 13,586 |

**Board of Education**

|                                  |    |        |
|----------------------------------|----|--------|
| Board and Committee Members Fees | \$ | 25,821 |
| Social Security                  |    | 1,601  |
| Unemployment Compensation        |    | 4,061  |
| Employer Medicare                |    | 374    |
| Audit Services                   |    | 5,080  |
| Dues and Memberships             |    | 15,595 |
| Legal Services                   |    | 4,752  |
| Travel                           |    | 31,628 |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services (Cont.)

**Board of Education (Cont.)**

|                                 |    |            |
|---------------------------------|----|------------|
| Liability Insurance             | \$ | 55,400     |
| Trustee's Commission            |    | 110,502    |
| Workers' Compensation Insurance |    | 65,481     |
| Other Charges                   |    | 3,358      |
| Total Board of Education        |    | \$ 323,653 |

**Director of Schools**

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 117,100 |
| Assistant(s)                           |    | 5,000   |
| Career Ladder Program                  |    | 1,000   |
| Secretary(ies)                         |    | 48,537  |
| Social Security                        |    | 9,258   |
| Pensions                               |    | 11,776  |
| Medical Insurance                      |    | 29,269  |
| Employer Medicare                      |    | 2,165   |
| Communication                          |    | 16,994  |
| Dues and Memberships                   |    | 5,572   |
| Postal Charges                         |    | 1,620   |
| Travel                                 |    | 3,704   |
| Office Supplies                        |    | 6,286   |
| Other Supplies and Materials           |    | 153     |
| Other Charges                          |    | 12,086  |
| Total Director of Schools              |    | 270,520 |

**Office of the Principal**

|                               |    |         |
|-------------------------------|----|---------|
| Principals                    | \$ | 275,097 |
| Career Ladder Program         |    | 2,000   |
| Accountants/Bookkeepers       |    | 74,145  |
| Assistant Principals          |    | 237,861 |
| Secretary(ies)                |    | 74,630  |
| Social Security               |    | 38,438  |
| Pensions                      |    | 45,457  |
| Medical Insurance             |    | 85,750  |
| Employer Medicare             |    | 8,990   |
| In Service/Staff Development  |    | 4,855   |
| Total Office of the Principal |    | 847,223 |

**Fiscal Services**

|                          |    |        |
|--------------------------|----|--------|
| Supervisor/Director      | \$ | 95,051 |
| Accountants/Bookkeepers  |    | 1,500  |
| Clerical Personnel       |    | 53,031 |
| Other Salaries and Wages |    | 89,952 |
| Social Security          |    | 14,146 |
| Pensions                 |    | 16,743 |
| Medical Insurance        |    | 18,753 |
| Employer Medicare        |    | 3,308  |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services (Cont.)

**Fiscal Services (Cont.)**

|                              |    |         |
|------------------------------|----|---------|
| Data Processing Services     | \$ | 23,684  |
| Travel                       |    | 220     |
| Office Supplies              |    | 369     |
| Other Supplies and Materials |    | 1,425   |
| Total Fiscal Services        | \$ | 318,182 |

**Operation of Plant**

|   |    |           |
|---|----|-----------|
| Custodial Personnel                         | \$ | 349,014   |
| Social Security                             |    | 20,299    |
| Pensions                                    |    | 24,402    |
| Medical Insurance                           |    | 78,708    |
| Employer Medicare                           |    | 4,747     |
| Maintenance and Repair Services - Equipment |    | 147       |
| Other Contracted Services                   |    | 101,617   |
| Custodial Supplies                          |    | 71,321    |
| Electricity                                 |    | 395,175   |
| Natural Gas                                 |    | 50,017    |
| Water and Sewer                             |    | 74,296    |
| Other Supplies and Materials                |    | 1,099     |
| Building and Contents Insurance             |    | 63,715    |
| Total Operation of Plant                    |    | 1,234,557 |

**Maintenance of Plant**

|   |    |         |
|---|----|---------|
| Supervisor/Director                         | \$ | 127,496 |
| Maintenance Personnel                       |    | 139,228 |
| Social Security                             |    | 15,776  |
| Pensions                                    |    | 17,466  |
| Medical Insurance                           |    | 35,266  |
| Employer Medicare                           |    | 3,690   |
| Maintenance and Repair Services - Buildings |    | 16,638  |
| Maintenance and Repair Services - Equipment |    | 26,326  |
| Travel                                      |    | 1,303   |
| Other Contracted Services                   |    | 47      |
| Natural Gas                                 |    | 988     |
| Other Supplies and Materials                |    | 60,915  |
| Other Charges                               |    | 2,862   |
| Administration Equipment                    |    | 66,854  |
| Other Equipment                             |    | 40,000  |
| Total Maintenance of Plant                  |    | 554,855 |

**Transportation**

|                          |    |         |
|--------------------------|----|---------|
| Mechanic(s)              | \$ | 43,864  |
| Bus Drivers              |    | 261,807 |
| Other Salaries and Wages |    | 31,744  |
| Social Security          |    | 20,638  |
| Pensions                 |    | 22,672  |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services (Cont.)

**Transportation (Cont.)**

|  |    |         |
|--|----|---------|
| Medical Insurance                          | \$ | 10,268  |
| Employer Medicare                          |    | 4,824   |
| Retirement - Hybrid Stabilization          |    | 402     |
| Maintenance and Repair Services - Vehicles |    | 46,184  |
| Medical and Dental Services                |    | 3,724   |
| Travel                                     |    | 1,283   |
| Other Contracted Services                  |    | 13,200  |
| Diesel Fuel                                |    | 57,060  |
| Equipment and Machinery Parts              |    | 5,723   |
| Gasoline                                   |    | 7,677   |
| Lubricants                                 |    | 1,350   |
| Tires and Tubes                            |    | 12,602  |
| Vehicle Parts                              |    | 63,330  |
| Other Supplies and Materials               |    | 2,884   |
| Vehicle and Equipment Insurance            |    | 33,784  |
| Other Charges                              |    | 15,798  |
| Total Transportation                       | \$ | 660,818 |

Operation of Non-Instructional Services

**Community Services**

|                          |    |        |
|--------------------------|----|--------|
| Clerical Personnel       | \$ | 34,301 |
| Social Security          |    | 2,125  |
| Pensions                 |    | 2,398  |
| Medical Insurance        |    | 8,852  |
| Employer Medicare        |    | 497    |
| Total Community Services |    | 48,173 |

**Early Childhood Education**

|                                   |    |         |
|-----------------------------------|----|---------|
| Teachers                          | \$ | 110,489 |
| Clerical Personnel                |    | 3,000   |
| Educational Assistants            |    | 49,977  |
| Non-certified Substitute Teachers |    | 1,680   |
| Social Security                   |    | 9,838   |
| Pensions                          |    | 10,970  |
| Medical Insurance                 |    | 24,822  |
| Employer Medicare                 |    | 2,301   |
| Retirement - Hybrid Stabilization |    | 1,243   |
| In Service/Staff Development      |    | 360     |
| Total Early Childhood Education   |    | 214,680 |

Capital Outlay

**Regular Capital Outlay**

|                              |    |         |
|------------------------------|----|---------|
| Building Improvements        | \$ | 352,482 |
| Total Regular Capital Outlay |    | 352,482 |

Total General Purpose School Fund

\$ 19,760,059

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**School Federal Projects Fund**

## Instruction

**Regular Instruction Program**

|                                      |              |
|--------------------------------------|--------------|
| Teachers                             | \$ 768,393   |
| Educational Assistants               | 134,823      |
| Bonus Payments                       | 5,700        |
| Non-certified Substitute Teachers    | 852          |
| Social Security                      | 51,737       |
| Pensions                             | 62,786       |
| Medical Insurance                    | 128,582      |
| Unemployment Compensation            | 4,546        |
| Employer Medicare                    | 12,100       |
| Other Fringe Benefits                | 4,688        |
| Instructional Supplies and Materials | 73,558       |
| Textbooks - Bound                    | 53,525       |
| Other Charges                        | 13,295       |
| Total Regular Instruction Program    | \$ 1,314,585 |

**Special Education Program**

|                                      |            |
|--------------------------------------|------------|
| Educational Assistants               | \$ 283,937 |
| Social Security                      | 17,084     |
| Pensions                             | 19,025     |
| Medical Insurance                    | 36,987     |
| Unemployment Compensation            | 1,419      |
| Employer Medicare                    | 3,995      |
| Other Fringe Benefits                | 9,016      |
| Instructional Supplies and Materials | 14,768     |
| Other Supplies and Materials         | 113        |
| Special Education Equipment          | 6,217      |
| Total Special Education Program      | 392,561    |

**Career and Technical Education Program**

|  |          |
|--|----------|
| Instructional Supplies and Materials         | \$ 3,698 |
| Other Supplies and Materials                 | 4,556    |
| Vocational Instruction Equipment             | 79,353   |
| Total Career and Technical Education Program | 87,607   |

## Support Services

**Health Services**

|                           |           |
|---------------------------|-----------|
| Medical Personnel         | \$ 52,750 |
| Social Security           | 3,252     |
| Pensions                  | 4,194     |
| Unemployment Compensation | 263       |
| Employer Medicare         | 761       |
| Other Fringe Benefits     | 248       |
| Total Health Services     | 61,468    |

**Other Student Support**

|             |        |
|-------------|--------|
| Bus Drivers | \$ 432 |
|-------------|--------|

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**School Federal Projects Fund (Cont.)**

Support Services (Cont.)

**Other Student Support (Cont.)**

|                              |    |         |
|------------------------------|----|---------|
| Other Salaries and Wages     | \$ | 8,438   |
| Social Security              |    | 550     |
| Pensions                     |    | 483     |
| Employer Medicare            |    | 129     |
| Evaluation and Testing       |    | 42,348  |
| Travel                       |    | 5,544   |
| Other Contracted Services    |    | 45,288  |
| Other Supplies and Materials |    | 2,726   |
| In Service/Staff Development |    | 2,368   |
| Other Charges                |    | 5,605   |
| Total Other Student Support  | \$ | 113,911 |

**Regular Instruction Program**

|                                   |    |         |
|-----------------------------------|----|---------|
| Supervisor/Director               | \$ | 87,598  |
| Instructional Computer Personnel  |    | 56,400  |
| Other Salaries and Wages          |    | 51,650  |
| Social Security                   |    | 8,438   |
| Pensions                          |    | 10,455  |
| Medical Insurance                 |    | 16,764  |
| Unemployment Compensation         |    | 758     |
| Employer Medicare                 |    | 1,973   |
| Other Fringe Benefits             |    | 737     |
| Travel                            |    | 387     |
| Other Supplies and Materials      |    | 825     |
| In Service/Staff Development      |    | 9,158   |
| Other Equipment                   |    | 3,952   |
| Total Regular Instruction Program |    | 249,095 |

**Special Education Program**

|                                 |    |        |
|---------------------------------|----|--------|
| Psychological Personnel         | \$ | 62,713 |
| Other Salaries and Wages        |    | 2,857  |
| Social Security                 |    | 3,982  |
| Pensions                        |    | 4,397  |
| Unemployment Compensation       |    | 327    |
| Employer Medicare               |    | 931    |
| Other Fringe Benefits           |    | 367    |
| Contracts with Private Agencies |    | 3,553  |
| Other Supplies and Materials    |    | 1,638  |
| In Service/Staff Development    |    | 16,040 |
| Total Special Education Program |    | 96,805 |

**Career and Technical Education Program**

|  |    |       |
|--|----|-------|
| Clerical Personnel                           | \$ | 1,500 |
| Social Security                              |    | 93    |
| Pensions                                     |    | 105   |
| Employer Medicare                            |    | 22    |
| In Service/Staff Development                 |    | 1,447 |
| Total Career and Technical Education Program |    | 3,167 |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**School Federal Projects Fund (Cont.)**

Support Services (Cont.)

**Technology**

|                              |           |           |
|------------------------------|-----------|-----------|
| Other Supplies and Materials | \$ 15,588 |           |
| Total Technology             |           | \$ 15,588 |

**Transportation**

|                           |           |         |
|---------------------------|-----------|---------|
| Bus Drivers               | \$ 62,407 |         |
| Other Salaries and Wages  | 34,895    |         |
| Social Security           | 5,470     |         |
| Pensions                  | 6,679     |         |
| Medical Insurance         | 18,903    |         |
| Unemployment Compensation | 486       |         |
| Employer Medicare         | 1,279     |         |
| Other Fringe Benefits     | 5,665     |         |
| Diesel Fuel               | 11,000    |         |
| Vehicle Parts             | 11,846    |         |
| Total Transportation      |           | 158,630 |

## Operation of Non-Instructional Services

**Food Service**

|                              |           |        |
|------------------------------|-----------|--------|
| Other Supplies and Materials | \$ 20,549 |        |
| Total Food Service           |           | 20,549 |

**Community Services**

|                                      |          |         |
|--------------------------------------|----------|---------|
| Supervisor/Director                  | \$ 4,500 |         |
| Teachers                             | 70,342   |         |
| Clerical Personnel                   | 1,000    |         |
| Educational Assistants               | 43,535   |         |
| Other Salaries and Wages             | 240      |         |
| Social Security                      | 7,309    |         |
| Pensions                             | 8,060    |         |
| Unemployment Compensation            | 598      |         |
| Employer Medicare                    | 1,734    |         |
| Other Fringe Benefits                | 664      |         |
| Other Contracted Services            | 35       |         |
| Food Supplies                        | 4,009    |         |
| Instructional Supplies and Materials | 2,969    |         |
| In Service/Staff Development         | 2,706    |         |
| Other Charges                        | 666      |         |
| Total Community Services             |          | 148,367 |

Total School Federal Projects Fund

\$ 2,662,333

**Central Cafeteria Fund**

## Operation of Non-Instructional Services

**Food Service**

|                         |           |        |
|-------------------------|-----------|--------|
| Supervisor/Director     | \$ 44,874 |        |
| Accountants/Bookkeepers |           | 12,131 |

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

**Central Cafeteria Fund (Cont.)**

Operation of Non-Instructional Services (Cont.)

**Food Service (Cont.)**

|   |                     |
|---|---------------------|
| Clerical Personnel                          | \$ 28,885           |
| Cafeteria Personnel                         | 410,253             |
| Temporary Personnel                         | 11,823              |
| Other Salaries and Wages                    | 4,841               |
| In-service Training                         | 1,288               |
| Social Security                             | 27,514              |
| Pensions                                    | 33,191              |
| Medical Insurance                           | 130,384             |
| Employer Medicare                           | 6,615               |
| Communication                               | 4,191               |
| Maintenance and Repair Services - Equipment | 50,906              |
| Postal Charges                              | 136                 |
| Transportation - Other than Students        | 2,839               |
| Travel                                      | 136                 |
| Other Contracted Services                   | 12,046              |
| Food Preparation Supplies                   | 1,551               |
| Food Supplies                               | 624,068             |
| Office Supplies                             | 4,924               |
| Chemicals                                   | 13,741              |
| USDA - Commodities                          | 92,822              |
| Other Supplies and Materials                | 45,672              |
| In Service/Staff Development                | 7,727               |
| Other Charges                               | 6,458               |
| Food Service Equipment                      | 8,729               |
| Total Food Service                          | <u>\$ 1,587,745</u> |

Total Central Cafeteria Fund

\$ 1,587,745

**Internal School Fund**

Operation of Non-Instructional Services

**Community Services**

|                          |                   |
|--------------------------|-------------------|
| Other Charges            | \$ 856,399        |
| Total Community Services | <u>\$ 856,399</u> |

Total Internal School Fund

856,399

**Education Capital Projects Fund**

Capital Projects

**Education Capital Projects**

|                                  |                     |
|----------------------------------|---------------------|
| Other Capital Outlay             | \$ 5,249,569        |
| Total Education Capital Projects | <u>\$ 5,249,569</u> |

Total Education Capital Projects Fund

5,249,569

Total Governmental Funds - Sequatchie County School Department

\$ 30,116,105

## **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***

Sequatchie County Executive and  
Board of County Commissioners  
Sequatchie 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 Sequatchie County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Sequatchie County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated, January 27, 2025. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Sequatchie County School Department (a discretely presented component unit) as described in our report on Sequatchie 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 Sequatchie 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 Sequatchie County's internal control. Accordingly, we do not express an opinion on the effectiveness of Sequatchie 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 deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 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 deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency: 2024-005.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Sequatchie County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2024-001, 2024-002, and 2024-004.

### **Sequatchie County's Responses to Findings**

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

January 27, 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**

Sequatchie County Executive and  
Board of County Commissioners  
Sequatchie 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 Sequatchie 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 Sequatchie County's major federal programs for the year ended June 30, 2024. Sequatchie 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, Sequatchie 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 Sequatchie 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 Sequatchie 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 Sequatchie 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 Sequatchie 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 Sequatchie 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 Sequatchie 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 Sequatchie 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 Sequatchie 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 Sequatchie County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Sequatchie County's basic financial statements. We issued our report thereon dated January 27, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

January 27, 2025

JEM/gc

**SEQUATCHIE COUNTY, TENNESSEE, AND THE SEQUATCHIE COUNTY SCHOOL DEPARTMENT**

**Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)**  
**For the Year-Ended June 30, 2024**

| <b>Federal/Pass-through Agency/State<br/>Grantor Program Title</b>  | <b>Assistance<br/>Listing<br/>Number</b> | <b>Passed-through<br/>Entity Identifying<br/>Number</b> | <b>Expenditures</b> |
|---|--|---|---------------------|
| U.S. Department of Agriculture:   |  |   |                     |
| Passed-through Department of Education:   |  |   |                     |
| Local Food for Schools Cooperative Agreement Program  | 10.185                                   | N/A   | \$ 91,000           |
| Child Nutrition Cluster: (5)  |  |   |                     |
| School Breakfast Program  | 10.553                                   | N/A   | 318,578             |
| National School Lunch Program   | 10.555                                   | N/A   | 868,976 (6)         |
| COVID 19 - Pandemic EBT Administrative Costs  | 10.649                                   | N/A   | 3,256               |
| Passed-through Department of Agriculture:   |  |   |                     |
| Child Nutrition Cluster: (5)  |  |   |                     |
| Rebate of Storage and Distribution Fees   | 10.555                                   | (4)   | 2,365 (6)           |
| National School Lunch Program(Commodities - Noncash Assistance)   | 10.555                                   | (4)   | 92,822 (6)          |
| Total U.S. Department of Agriculture  |  |   | <u>\$ 1,376,997</u> |
| U.S. Department of the Treasury:  |  |   |                     |
| Direct Program:   |  |   |                     |
| COVID 19 - Coronavirus State And Local Fiscal Recovery Funds  | 21.027                                   | N/A   | \$ 1,218,425        |
| Total U.S. Department of the Treasury   |  |   | <u>\$ 1,218,425</u> |
| U.S. Department of Education:   |  |   |                     |
| Passed-through State Department of Education:   |  |   |                     |
| Title I Grants to Local Educational Agencies  | 84.010                                   | N/A   | \$ 762,040          |
| Special Education Cluster: (5)  |  |   |                     |
| Special Education - Grants to States  | 84.027                                   | N/A   | 680,766 (6)         |
| COVID 19 - Special Education - Grants to States (ARP)   | 84.027                                   | N/A   | 105 (6)             |
| Special Education - Preschool Grants  | 84.173                                   | N/A   | 31,555 (6)          |
| COVID 19 - Special Education - Preschool Grants (ARP)   | 84.173                                   | N/A   | 242 (6)             |
| Career and Technical Education - Basic Grants to States   | 84.048                                   | N/A   | 108,718             |
| Twenty-first Century Community Learning Centers   | 84.287                                   | N/A   | 154,248             |
| Rural Education   | 84.358                                   | N/A   | 69,068              |
| Supporting Effective Instruction State Grants   | 84.367                                   | N/A   | 85,403              |
| Student Support and Academic Enrichment Program   | 84.424                                   | N/A   | 63,450              |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)                                | 84.425D                                  | N/A   | 101,211 (6)         |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP) | 84.425W                                  | N/A   | 57,107 (6)          |
| COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)                               | 84.425U                                  | N/A   | 2,924,501 (6)       |
| Passed-through State Department of Human Services:  |  |   |                     |
| Rehabilitation Services - Vocational Rehabilitation Grants to States  | 84.126                                   | (4)   | <u>47,063</u>       |
| Total U.S. Department of Education  |  |   | <u>\$ 5,085,477</u> |
| U.S. Department of Health and Human Services:   |  |   |                     |
| Passed-through State Department of Human Services:  |  |   |                     |
| Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance                         | 93.079                                   | (4)   | \$ 600              |
| Passed-through State Department of Education:   |  |   |                     |
| COVID 19 - Temporary Assistance for Needy Families  | 93.558                                   | N/A   | <u>47,003</u>       |
| Total U.S. Department of Health and Human Services  |  |   | <u>\$ 47,603</u>    |
| U.S. Department of Homeland Security:   |  |   |                     |
| Passed-through State Department of Military:  |  |   |                     |
| Homeland Security Grant Program   | 97.067                                   | (4)   | <u>\$ 20,132</u>    |
| Total U.S. Department of Homeland Security  |  |   | <u>\$ 20,132</u>    |
| Total Expenditures of Federal Grants  |  |   | <u>\$ 7,748,634</u> |

(Continued)

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

| <b>State Grants</b>  | <b>Assistance Listing Number</b> | <b>Contract Number</b> | <b>Expenditures</b> |
|--|----------------------------------|------------------------|---------------------|
| Juvenile Services Program - State Department of Children's Service   | N/A                              | (4)                    | \$ 9,000            |
| Three Star Grant Program - State Department of Economic and Community Development                            | N/A                              | (4)                    | 15,248              |
| Drivers Education - State Department of Education  | N/A                              | (4)                    | 4,941               |
| Innovative School Models (ISM) - State Department of Education   | N/A                              | (4)                    | 989,255             |
| Learning Camps Transportation - State Department of Education  | N/A                              | (4)                    | 12,248              |
| Public School Security Grant - State Department of Education   | N/A                              | (4)                    | 80,477              |
| State Special Education Preschool Grant - State Department of Education                                      | N/A                              | (4)                    | 22,941              |
| Summer Learning Camps - State Department of Education  | N/A                              | (4)                    | 79,621              |
| Voluntary Pre-K for Tennessee - State Department of Education  | N/A                              | (4)                    | 200,064             |
| Court Security Grant - State Department of Finance and Administration  | N/A                              | (4)                    | 45,107              |
| VCIF, Formula Based Grant - State Department of Finance and Administration                                   | N/A                              | (4)                    | 57,010              |
| Local Health Services - State Department of Health   | N/A                              | GG-24-80799-00         | 155,183             |
| Summer Youth Employment Grant - State Department of Labor and Workforce Development                          | N/A                              | (4)                    | 6,304               |
| Enforcement of Tennessee Driving Under the Influence Laws - State Department of Safety and Homeland Security | N/A                              | (4)                    | 9,052               |
| Statewide School Resource Officer (SRO) Grant - State Department of Safety and Homeland Security             | N/A                              | (4)                    | 225,000             |
| Tourism Enhancement Grant - State Department of Tourist Development  | N/A                              | (4)                    | 71,563              |
| Litter Program - State Department of Transportation  | N/A                              | Z24LIT077              | 20,194              |
| Supporting Postsecondary Access in Rural Communities - State Higher Education Commission                     | N/A                              | (4)                    | <u>32,583</u>       |
| <br>Total State Grants   |                                  |                        | <u>\$ 2,035,792</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) Sequatchie 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 \$1,282,741; Special Education Cluster total \$712,668.
- (6) Total for ALN 10.555 is \$964,163; Total for ALN 84.027 is \$680,871; Total for ALN 84.173 is \$31,797; Total for ALN 84.425 is \$3,082,819.

**(7) CONSOLIDATED ADMINISTRATION**

The following amounts were consolidated for administration purposes.

| <b>Program Title</b>                                   | <b>ALN</b> | <b>Amount Provided to Consolidated Administration</b> |
|--|------------|---|
| Title I Grants to Local Education Agencies             | 84.010     | \$ 89,121   |
| Rural Education  | 84.358     | 5,590   |
| Supporting Effective Instruction State Grants          | 84.367     | 4,392   |
| Student Support and Academic Enrichment Program        | 84.424     | 80  |
| Total amounts consolidated for administration purposes |            | <u>\$ 99,183</u>                                      |

**SEQUATCHIE 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 Sequatchie County, Tennessee, for the year ended June 30, 2024.

**Prior-year Financial Statement Findings**

| Fiscal Year | Page Number | Finding Number | Title of Finding | ALN | Current Status |
|-------------|-------------|----------------|------------------|-----|----------------|
|-------------|-------------|----------------|------------------|-----|----------------|

**OFFICE OF COUNTY EXECUTIVE**

|      |     |          |  |     |           |
|------|-----|----------|--|-----|-----------|
| 2023 | 191 | 2023-001 | County commissioners were not paid in compliance with state statute. | N/A | Corrected |
|------|-----|----------|--|-----|-----------|

**OFFICE OF HIGHWAY SUPERVISOR**

|      |     |          |   |     |           |
|------|-----|----------|---|-----|-----------|
| 2023 | 191 | 2023-002 | The office had deficiencies in purchasing procedures. | N/A | Corrected |
|------|-----|----------|---|-----|-----------|

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**Prior-year Federal Awards Findings**

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

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

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Sequatchie 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? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:

\* Material weakness identified? **NO**

\* Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of major federal programs:

\* Assistance Listing Number: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program, National School Lunch Program

\* Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)

\* Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund

8. Dollar threshold used to distinguish between type A and Type B Programs: **\$750,000**

9. Auditee qualified as low-risk auditee? **NO**

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

### OFFICE OF COUNTY EXECUTIVE

FINDING 2024-001

#### 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's failure to provide sufficient oversight.

- A. During the year examined, several budget amendments were posted to the General, Drug Control, General Debt Service, and General Capital Projects funds that were not approved by the county commission. 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.
- B. Expenditures exceeded appropriations approved by the county commission in six major appropriation categories (the legal level of control) across several funds administered by the office in amounts ranging from \$227 to \$15,813.
- C. Salaries exceeded appropriations in five of 52 salary line-items in the General Fund by amounts ranging from \$101 to \$1,133. 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.

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

The original budget and any amendments should be accurately posted to the accounting records after approval by the county commission. Expenditures should be held within appropriations approved by the county commission.

### MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I concur with this finding. All future budget amendments involving payroll lines or between budget codes will be presented to the county commission prior to being implemented.

FINDING 2024-002

**THE COUNTY DID NOT COMPLY WITH STATE STATUTES  
WHEN ENTERING A LEASE-PURCHASE AGREEMENT FOR  
VEHICLES**

(Noncompliance Under *Government Auditing Standards*)

On March 18, 2024, the county commission approved a lease-purchase agreement for three sheriff's department vehicles totaling \$156,538; however, this agreement had not been approved by the Office of the Comptroller of the Treasury as required by state statute. Section 9-24-104(a)(1), *Tennessee Code Annotated*, requires approval by the comptroller or comptroller's designee to be made prior to consideration by the governing body of such a lease financing agreement. The county executed the lease agreement on June 27, 2024, but as of January 14, 2025, auditors noted that the county had not filed a Report on Debt Obligation with the Comptroller of the Treasury for this debt. Section 9-21-134, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. These deficiencies were the result of a lack of management oversight and the failure to comply with state statutes.

**RECOMMENDATION**

The office should obtain approval by the Comptroller's Office prior to the approval of the commission and issuance of the debt, and should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance within 45 days as required by state statute.

**MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE**

I concur with this finding. A Report on Debt Obligation will be filed with the Office of the Comptroller.

**OFFICE OF HIGHWAY SUPERVISOR**

FINDING 2024-003

**THE HIGHWAY/PUBLIC WORKS FUND REQUIRED  
MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL  
STATEMENT PRESENTATION**

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

On June 30, 2024, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments for accounts receivable totaling \$268,728 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the highway department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system 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. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

**RECOMMENDATION**

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

## MANAGEMENT'S RESPONSE – HIGHWAY SUPERVISOR

I concur with this finding.

---

### OFFICE OF COUNTY CLERK

FINDING 2024-004

#### THE CLERK DID NOT PROPERLY RECORD DETAILED BUDGET INFORMATION IN THE MINUTES OF THE COUNTY COMMISSION

(Noncompliance Under *Government Auditing Standards*)

The minutes of the county commission reflect that the budget for the fiscal year ending June 30, 2024, was passed on July 31, 2023. However, detailed information needed to document what was approved was missing from the minutes or was incomplete. The resolutions for appropriations for the various funds and nonprofit/charitable organizations, and the detailed budgets of the Highway/Public Works, General Purpose Schools, School Federal Projects, and Central Cafeteria funds were stated to have been approved by the commission, but these documents were either missing or incomplete in the recorded minutes. The minutes are the official record of the county commission and should accurately reflect the actions of the commission. Section 18-6-104, *Tennessee Code Annotated*, provides that the county clerk serves as the clerk of the county legislative body; therefore, the county clerk is responsible for the preparation, accuracy, and proper maintenance of the minutes. This deficiency exists because the clerk failed to properly maintain the county commission minutes, which could result in a lack of documentation of the county commission's actions. As part of our audit, we obtained the budget that Sequatchie County filed with the state Comptroller's Office, Division of Local Finance to use as the approved original budget.

### RECOMMENDATION

The county clerk should ensure that the minutes are properly maintained and provide a clear, accurate, and complete description of the county commission's actions, including all details of actions taken regarding the county's budget.

## MANAGEMENT'S RESPONSE – COUNTY CLERK

I concur with this finding.

---

FINDING 2024-005

#### THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

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

The software application used by the office generated four audit logs that displayed changes made by users. Because these logs provide the only audit trail of these changes, they should be routinely reviewed for inappropriate activity. Although the official was aware of the importance of these logs, three of the logs were not reviewed. This deficiency was the result of a lack of management oversight.

### RECOMMENDATION

Management should review the audit logs on a routine basis. Any unusual transactions should be investigated.

**MANAGEMENT'S RESPONSE – COUNTY CLERK**

I concur with this finding.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2024.

**SEQUATCHIE 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 |
|----------------|------------------|------------------------------------|
|----------------|------------------|------------------------------------|

**OFFICE OF COUNTY EXECUTIVE**

|          |  |     |
|----------|--|-----|
| 2024-001 | The office had deficiencies in budget operations.  | 178 |
| 2024-002 | The county did not comply with state statutes when entering a lease-purchase agreement for vehicles. | 178 |

**OFFICE OF HIGHWAY SUPERVISOR**

|          |  |     |
|----------|--|-----|
| 2024-003 | The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation. | 180 |
|----------|--|-----|

**OFFICE OF COUNTY CLERK**

|          |  |     |
|----------|--|-----|
| 2024-004 | The clerk did not properly record detailed budget information in the minutes of the county commission. | 181 |
| 2024-005 | The office did not review its software audit logs.   | 182 |

22 Cherry Street East  
P.O. Box 595  
Dunlap, Tennessee 37327



Phone: (423) 949-3479  
Fax: (423) 949-2579  
seqexec@bledsoe.net

**D. Keith Cartwright**  
*Sequatchie County Executive*  
**Corrective Action Plan**

**FINDING:** THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

**Response and Corrective Action Plan Prepared by:**  
D. Keith Cartwright, County Executive

**Person Responsible for Implementing the Corrective Action:**  
D. Keith Cartwright, County Executive

**Anticipated Completion Date of Corrective Action:**  
Immediately

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
Beginning immediately, any budget amendment involving payroll or between budget codes will be presented to the county commission for approval

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**FINDING:** THE COUNTY DID NOT COMPLY WITH STATE STATUTES WHEN ENTERING A LEASE-PURCHASE AGREEMENT FOR VEHICLES

**Response and Corrective Action Plan Prepared by:**  
D. Keith Cartwright, County Executive

**Person Responsible for Implementing the Corrective Action:**  
D. Keith Cartwright, County Executive

**Anticipated Completion Date of Corrective Action:**  
*Immediately*

**Repeat Finding:**  
No

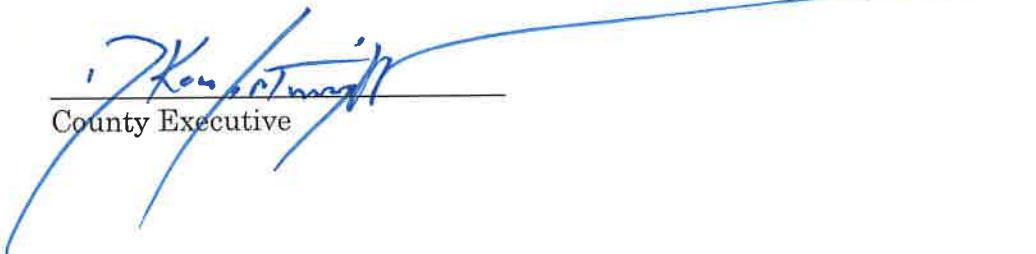
**Reason Corrective Action was Not Taken in the Prior Year:**

N/A

**Planned Corrective Action:**

*A Report on Debt Obligation will be filed for the leased vehicles*

Signature:

  
County Executive

SEQUATCHIE COUNTY HIGHWAY DEPARTMENT  
139 STATE STREET WEST  
DUNLAP, TN 37327  
(423) 949-2424

**Corrective Action Plan**

**FINDING:**

THE HIGHWAY/PUBLIC WORKS FUND REQUIRED  
MATERIAL AUDIT ADJUSTMENTS FOR PROPER  
FINANCIAL STATEMENT PRESENTATION

**Response and Corrective Action Plan Prepared by:**

Jayden Johnson and Nakela Tiska (Book keepers)

**Person Responsible for Implementing the Corrective Action:**

Jayden Johnson and Nakela Tiska (Book keepers), Eric Higgins

**Anticipated Completion Date of Corrective Action:**

1/15/2025

**Repeat Finding:**

No

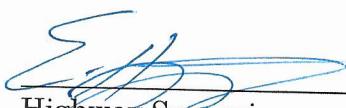
**Reason Corrective Action was Not Taken in the Prior Year:**

N/A

**Planned Corrective Action:**

Going forward we will make sure to set up all accounts receivable before year end closing.

Signature:

  
Highway Supervisor



**Charlotte Cagle**  
Squatchie County Clerk  
P.O. Box 248 • Cherry Street East  
Dunlap, Tennessee 37327  
Phone: (423) 949-2522  
Fax: (423) 949-6316

### Corrective Action Plan

#### SEQUATCHIE COUNTY CLERK

**FINDING:**

**THE CLERK DID NOT PROPERLY RECORD DETAILED BUDGET INFORMATION IN THE MINUTES OF THE COUNTY COMMISSION**

**Response and Corrective Action Plan Prepared by:**  
Charlotte Cagle, County Clerk

**Person Responsible for Implementing the Corrective Action:**  
Charlotte Cagle, County Clerk

**Anticipated Completion Date of Corrective Action:**

*1-16-2025*

**Repeat Finding:**

No

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

**Planned Corrective Action:**

*Go Back & Look to see what was missing  
And fix*

Signature:

*Charlotte Cagle*



**Charlotte Cagle**

Sequatchie County Clerk  
P.O. Box 248  
Dunlap, Tennessee 37327

**Corrective Action Plan**

**FINDING:**

THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

**Response and Corrective Action Plan Prepared by:**  
Charlotte Cagle, County Clerk

**Person Responsible for Implementing the Corrective Action:**  
Charlotte Cagle, County Clerk

**Anticipated Completion Date of Corrective Action:**  
January 2025

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
Weekly review procedures will be implemented.

Charlotte Cagle  
Official's signature

## **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 Sequatchie County.

### **SEQUATCHIE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Sequatchie County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Sequatchie 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.