



## 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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## SEQUATCHIE COUNTY, TENNESSEE

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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  
Sarai 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  
Susie Bostic  
James Breland  
Wayne Clemmons  
June Dishman  
Joyce Dotson  
Michael Hudson  
Tommy Johnson  
Blaine Layne

Jeff Mackey  
Ed Nunley  
Paul Powell  
Brian Ruehling  
Chester Shell  
Frank Silver  
Tom Vennero  
Bryan Walker  
Gary Williams

### Board of Education

Sam Hudson, Chairman  
Debbie Adams  
Marlene Basham  
Gregory Dawson  
Shelli Dodson

Rachel Hixson  
Gregory Johnson  
Jo Ann Shepherd  
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

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

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Sequatchie County School Department</b>
<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)

**SEQUATCHIE COUNTY, TENNESSEE****Statement of Net Position (Cont.)**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Sequatchie County School Department</b>
<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>\$ 16,574,368</u>	<u>\$ 61,947,822</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	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Sequatchie County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 3,215,831	\$ 137,506	\$ 1,522,584	\$ 0	\$ (1,555,741)	\$ 0
Finance	968,117	630,862	0	0	(337,255)	0
Administration of Justice	755,880	241,396	111,117	0	(403,367)	0
Public Safety	4,329,772	721,924	266,184	0	(3,341,664)	0
Public Health and Welfare	1,408,335	5,640	175,377	0	(1,227,318)	0
Social, Cultural, and Recreational Services	333,077	3,508	10,000	0	(319,569)	0
Agriculture and Natural Resources	122,865	0	0	0	(122,865)	0
Highways/Public Works	3,582,449	44,517	2,043,580	1,628,584	134,232	0
Interest on Long-term Debt	98,055	0	0	0	(98,055)	0
Total Governmental Activities	<u>\$ 14,814,381</u>	<u>\$ 1,785,353</u>	<u>\$ 4,128,842</u>	<u>\$ 1,628,584</u>	<u>\$ (7,271,602)</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 14,814,381</u>	<u>\$ 1,785,353</u>	<u>\$ 4,128,842</u>	<u>\$ 1,628,584</u>	<u>\$ (7,271,602)</u>	<u>\$ 0</u>
Component Unit:						
Sequatchie County School Department	<u>\$ 26,162,033</u>	<u>\$ 115,320</u>	<u>\$ 6,962,886</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (19,083,827)</u>
Total Component Unit	<u>\$ 26,162,033</u>	<u>\$ 115,320</u>	<u>\$ 6,962,886</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (19,083,827)</u>

(Continued)

**SEQUATCHIE COUNTY, TENNESSEE**  
**Statement of Activities (Cont.)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit 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					<u>\$ 9,925,666</u>	<u>\$ 23,441,303</u>
Change in Net Position					\$ 2,654,064	\$ 4,357,476
Net Position, July 1, 2023					<u>13,920,304</u>	<u>57,590,346</u>
Net Position, June 30, 2024					<u>\$ 16,574,368</u>	<u>\$ 61,947,822</u>

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

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

Governmental Funds

**June 30, 2024**

	<b>Major Funds</b>			<b>Nonmajor Funds</b>	
				Other	
	General	Solid Waste / Sanitation	Highway / Public Works	Govern-mental Funds	Total Governmental Funds
<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)
Total Assets	<u>\$ 8,980,301</u>	<u>\$ 1,597,273</u>	<u>\$ 1,554,486</u>	<u>\$ 1,572,888</u>	<u>\$ 13,704,948</u>
<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
Total Liabilities	<u>\$ 35,640</u>	<u>\$ 6,468</u>	<u>\$ 24,832</u>	<u>\$ 4,776</u>	<u>\$ 71,716</u>
<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
Total Deferred Inflows of Resources	<u>\$ 5,698,621</u>	<u>\$ 1,240,900</u>	<u>\$ 184,076</u>	<u>\$ 645,449</u>	<u>\$ 7,769,046</u>

(Continued)

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

Governmental Funds (Cont.)

	<b>Major Funds</b>			<b>Nonmajor Funds</b>	
		Solid Waste /	Highway /	Other Govern-mental	Total
	General	Sanitation	Public Works	Funds	Governmental Funds
<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	<u>\$ 3,246,040</u>	<u>\$ 349,905</u>	<u>\$ 1,345,578</u>	<u>\$ 922,663</u>	<u>\$ 5,864,186</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,980,301</u>	<u>\$ 1,597,273</u>	<u>\$ 1,554,486</u>	<u>\$ 1,572,888</u>	<u>\$ 13,704,948</u>

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**

	<b>Major Funds</b>				<b>Nonmajor Funds</b>	
	General	Solid Waste / Sanitation	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
<b>Revenues</b>						
Local Taxes	\$ 6,831,725	\$ 1,235,824	\$ 0	\$ 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	\$ 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.)

	<b>Major Funds</b>				<b>Nonmajor Funds</b>	
	General	Solid Waste / Sanitation	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	Total 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 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)
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- (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><u>\$ 2,654,064</u></u>
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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**

		<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Actual</b>	<b>Original</b>	<b>Final</b>	
<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.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<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				
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>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Actual</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
Total Revenues	<u>\$ 1,316,238</u>	<u>\$ 1,286,399</u>	<u>\$ 1,286,399</u>	<u>\$ 29,839</u>
<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
Total Expenditures	<u>\$ 1,196,397</u>	<u>\$ 976,568</u>	<u>\$ 1,246,568</u>	<u>\$ 50,171</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 119,841</u>	<u>\$ 309,831</u>	<u>\$ 39,831</u>	<u>\$ 80,010</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
Total Other Financing Sources	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 319,841	\$ 509,831	\$ 239,831	\$ 80,010
Fund Balance, July 1, 2023	<u>30,064</u>	<u>23,848</u>	<u>23,848</u>	<u>6,216</u>
Fund Balance, June 30, 2024	<u><u>\$ 349,905</u></u>	<u><u>\$ 533,679</u></u>	<u><u>\$ 263,679</u></u>	<u><u>\$ 86,226</u></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**  
Other General Government Fund  
**For the Year Ended June 30, 2024**

		<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Actual</b>	<b>Original</b>	<b>Final</b>	
<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 Over Expenditures	\$ 1,091,271	\$ 1,072,157	\$ 1,072,157	\$ 19,114
Net Change in Fund Balance	\$ 1,091,271	\$ 1,072,157	\$ 1,072,157	\$ 19,114
Fund Balance, July 1, 2023	(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>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Actual</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 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	\$ 271,521	\$ 3,171,975	\$ 3,135,464	\$ (2,863,943)
Fund Balance, July 1, 2023	<u>1,074,057</u>	<u>1,373,363</u>	<u>1,373,363</u>	<u>(299,306)</u>
Fund Balance, June 30, 2024	<u><u>\$ 1,345,578</u></u>	<u><u>\$ 4,545,338</u></u>	<u><u>\$ 4,508,827</u></u>	<u><u>\$ (3,163,249)</u></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 Funds</b>
<b>ASSETS</b>	
Cash	\$ 385,354
Due from Other Governments	<u>320,744</u>
Total Assets	<u>\$ 706,098</u>
<b>LIABILITIES</b>	
Due to Other Taxing Units	<u>\$ 320,744</u>
Total Liabilities	<u>\$ 320,744</u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 385,354</u>
Total Net Position	<u><u>\$ 385,354</u></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****Custodial  
Funds****ADDITIONS**

Sales Tax Collections for Other Governments	\$ 1,739,331
Fines/Fees and Other Collections	5,354,720
Total Additions	<u>\$ 7,094,051</u>

**DEDUCTIONS**

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
Total Deductions	<u>\$ 7,002,879</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ 91,172
Net Position, July 1, 2023	<u>294,182</u>
Net Position, June 30, 2024	<u><u>\$ 385,354</u></u>

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:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
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 Average Maturity (days)	Maturities	Fair 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	59,942
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 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 1,562,843	\$ 90,413	\$ (334,000)	\$ 1,319,256
Total Capital Assets Not Depreciated	\$ 1,562,843	\$ 90,413	\$ (334,000)	\$ 1,319,256
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,889,740	\$ 34,400	\$ (475,000)	\$ 11,449,140
Infrastructure	15,297,455	0	(2,947)	15,294,508
Other Capital Assets	6,215,233	1,050,401	(102,225)	7,163,409
Total Capital Assets Depreciated	\$ 33,402,428	\$ 1,084,801	\$ (580,172)	\$ 33,907,057
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,189,430	\$ 294,227	\$ (475,000)	\$ 6,008,657
Infrastructure	13,083,013	77,558	(774)	13,159,797
Other Capital Assets	3,442,037	509,669	(49,011)	3,902,695
Total Accumulated Depreciation	\$ 22,714,480	\$ 881,454	\$ (524,785)	\$ 23,071,149
Total Capital Assets Depreciated, Net	\$ 10,687,948	\$ 203,347	\$ (55,387)	\$ 10,835,908
Governmental Activities Capital Assets, Net	\$ 12,250,791	\$ 293,760	\$ (389,387)	\$ 12,155,164



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>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 881,454</u></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><u>\$ 9,547,002</u></u>

## Discretely Presented Sequatchie County School Department

### Governmental Activities:

	Balance 7-1-23	Increases	Balance 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>\$ 28,270,793</u>	<u>\$ (806,296)</u>	<u>\$ 27,464,497</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,347,913</u>	<u>\$ 4,383,986</u>	<u>\$ 34,731,899</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>
Total Depreciation Expense - Governmental Activities	\$	<u><u>1,136,833</u></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
Primary Government:		
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	
	Solid Waste	Sanitation
	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	52,906	Direct costs
Total	\$ 257,066	

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 June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
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
Total	<u>\$ 2,608,162</u>	<u>\$ 645,535</u>	<u>\$ 111,343</u>	<u>\$ 3,365,040</u>

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

<b>Governmental Activities:</b>	Other Postemployment Benefits	Net Pension Liability Agent Plan
Balance, July 1, 2023	\$ 73,284	\$ 239,020
Additions	41,947	1,805,355
Reductions	<u>(3,805)</u>	<u>(1,583,585)</u>
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:

<b>Governmental Activities:</b>	Other Postemployment Benefits	Net Pension Liability 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
Total	<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	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88	% 31
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2022	\$ 26,272,935	\$ 25,882,953	\$ 389,982
Changes for the Year:			
Service Cost	\$ 728,579	\$ 0	\$ 728,579
Interest	1,783,074	0	1,783,074
Differences Between Expected 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 Refunds of Employee Contributions	(1,171,193)	(1,171,193)	0
Administrative Expense	0	(24,778)	24,778
Net Changes	\$ 1,879,592	\$ 1,484,582	\$ 395,010
Balance, June 30, 2023	\$ 28,152,527	\$ 27,367,535	\$ 784,992

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

		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
			Position	(Asset)
Primary Government	58.70%	\$ 16,525,533	\$ 16,064,743	\$ 460,790
School Department	41.30%	11,626,994	11,302,792	324,202
Total		\$ 28,152,527	\$ 27,367,535	\$ 784,992

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

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,283,387	\$ 25,568
School Department	901,225	17,989
Total	<u>\$ 2,184,612</u>	<u>\$ 43,557</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 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 Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,512	\$ 43,528
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	18,960	0
Changes in Assumptions	56,106	0
Changes in Proportion of Net Pension Liability (Asset)	23,439	15,793
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	116,994	N/A
Total	<u>\$ 218,011</u>	<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 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 Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		10	
	0.00		1	
Total			100	%

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of 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		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 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 Outflows of Resources	Deferred Inflows of 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	442,083	N/A
Total	<u>\$ 2,273,258</u>	<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 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% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the 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 Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset)	\$ 5,320,093	\$ (2,442,572)	\$ (8,898,921)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

## 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 County	Hwy Dept	Total
Inactive Employees Currently Receiving Benefit Payments	0	0	0
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0	0	0
Active Employees Eligible for Benefits	75	19	94
Total	75	19	94

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 County	Hwy Dept.	Total OPEB 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 Expected and Actuarial Experience	3,539	(6,438)	(2,899)
Changes in Assumption 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 Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience (DO - County \$7,788 DI - County \$20,596, Hwy - \$9,484)	\$ 7,788	\$ 30,080
Changes of Assumptions (DO - County \$30,600, Hwy \$2,494 DI - County \$39,744, Hwy - \$8,184)	33,094	47,928
Net Difference Between Projected and Benefits Paid after the Measurement Date of June 30, 2023 (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 June 30	County	Hwy	Total 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>	1% Decrease	Current Discount Rate	1% 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>	1% Decrease	Current Rate	1% 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
Total	<u>182</u>

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$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 School Department 62.1%	State of TN 37.9%	Total OPEB 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 and Other Inputs	134,358	82,123	216,481
Changes in Proportions	(35,212)	35,212	0
Difference between Expected and Actuarial 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 Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 89,621	\$ 336,245
Changes of Assumptions	424,409	185,624
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	33,686	96,386
Benefits Paid After the Measurement Date of June 30, 2023	20,721	0
Total	<u>\$ 568,437</u>	<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 June 30	School 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>	1%	Current Discount Rate	1%
	Decrease		Increase
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,766,025	\$ 1,636,538	\$ 1,513,356
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*Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate* - The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1%	Curent Rate	1%
	Decrease		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
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## **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

Exhibit E-1

**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.

**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 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 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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	(673,852)	(642,168)	(617,492)	(623,699)	(720,489)	(728,657)	(708,270)	(704,728)	(584,230)	(442,083)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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.

## 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

---

*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**

	<b>Special Revenue Funds</b>			<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Drug Control</b>	<b>Constitutional Officers - Fees</b>	<b>Total</b>	<b>General Debt Service</b>	<b>General Capital Projects</b>	
<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)
Total Assets	\$ 81,585	\$ 4,776	\$ 86,361	\$ 873,960	\$ 612,567	\$ 1,572,888
<b>LIABILITIES</b>						
Due to Other Funds	\$ 0	\$ 4,776	\$ 4,776	\$ 0	\$ 0	\$ 4,776
Total Liabilities	\$ 0	\$ 4,776	\$ 4,776	\$ 0	\$ 0	\$ 4,776
<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
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 300,353	\$ 345,096	\$ 645,449
<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
Total Fund Balances	\$ 81,585	\$ 0	\$ 81,585	\$ 573,607	\$ 267,471	\$ 922,663
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 81,585	\$ 4,776	\$ 86,361	\$ 873,960	\$ 612,567	\$ 1,572,888

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Control	General Debt Service	General Capital 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
Total Revenues	\$ 19,405	\$ 415,545	\$ 354,504	\$ 789,454
<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
Total Expenditures	\$ 107,137	\$ 396,381	\$ 100,108	\$ 603,626
Excess (Deficiency) of Revenues Over Expenditures	\$ (87,732)	\$ 19,164	\$ 254,396	\$ 185,828
Net Change in Fund Balances	\$ (87,732)	\$ 19,164	\$ 254,396	\$ 185,828
Fund Balance, July 1, 2023	169,317	554,443	13,075	736,835
Fund Balance, June 30, 2024	\$ 81,585	\$ 573,607	\$ 267,471	\$ 922,663



**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>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Actual</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	<u>\$ 19,405</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ (10,595)</u>
<b>Expenditures</b>				
Public Safety				
Drug Enforcement	\$ 107,137	\$ 33,000	\$ 103,000	\$ (4,137)
Total Expenditures	<u>\$ 107,137</u>	<u>\$ 33,000</u>	<u>\$ 103,000</u>	<u>\$ (4,137)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (87,732)</u>	<u>\$ (3,000)</u>	<u>\$ (73,000)</u>	<u>\$ (14,732)</u>
Net Change in Fund Balance	\$ (87,732)	\$ (3,000)	\$ (73,000)	\$ (14,732)
Fund Balance, July 1, 2023	<u>169,317</u>	<u>165,265</u>	<u>165,265</u>	<u>4,052</u>
Fund Balance, June 30, 2024	<u><u>\$ 81,585</u></u>	<u><u>\$ 162,265</u></u>	<u><u>\$ 92,265</u></u>	<u><u>\$ (10,680)</u></u>

**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**

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)	
	Actual		Original	Final		
Revenues						
Local Taxes	\$	306,964	\$	314,488	\$	(7,524)
Other Local Revenues		95,572		30,000		65,572
State of Tennessee		13,009		14,000		(991)
Total Revenues	\$	415,545	\$	358,488	\$	57,057
Expenditures						
Principal on Debt						
General Government	\$	272,000	\$	275,000	\$	3,000
Interest on Debt						
General Government		98,055		92,000		(2,637)
Other Debt Service						
General Government		26,326		8,000		756
Total Expenditures	\$	396,381	\$	375,000	\$	1,119
Excess (Deficiency) of Revenues						
Over Expenditures	\$	19,164	\$	(16,512)	\$	58,176
Other Financing Sources (Uses)						
City General Fund Transfer	\$	0	\$	10,000	\$	(10,000)
Total Other Financing Sources	\$	0	\$	10,000	\$	(10,000)
Net Change in Fund Balance						
Fund Balance, July 1, 2023	\$	19,164	\$	(6,512)	\$	48,176
Fund Balance, July 1, 2023		554,443		538,262		16,181
Fund Balance, June 30, 2024						
Fund Balance, June 30, 2024	\$	573,607	\$	531,750	\$	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>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Actual</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	<u>\$ 354,504</u>	<u>\$</u>	<u>332,022</u>	<u>\$ 332,022</u>	<u>\$ 22,482</u>
<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	<u>\$ 100,108</u>	<u>\$</u>	<u>12,000</u>	<u>\$ 98,217</u>	<u>\$ (1,891)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 254,396</u>	<u>\$</u>	<u>320,022</u>	<u>\$ 233,805</u>	<u>\$ 20,591</u>
Net Change in Fund Balance	\$ 254,396	\$	320,022	\$ 233,805	\$ 20,591
Fund Balance, July 1, 2023	<u>13,075</u>		<u>0</u>	<u>0</u>	<u>13,075</u>
Fund Balance, June 30, 2024	<u><u>\$ 267,471</u></u>	<u><u>\$</u></u>	<u><u>320,022</u></u>	<u><u>\$ 233,805</u></u>	<u><u>\$ 33,666</u></u>

## 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.

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

Custodial Funds

**June 30, 2024**

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

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

	<b>Custodial Funds</b>		
	Cities - Sales Tax	Constitu - tional Officers - 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
Total Additions	\$ 1,739,331	\$ 5,354,720	\$ 7,094,051
<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
Total Deductions	\$ 1,739,331	\$ 5,263,548	\$ 7,002,879
Change in Net Position	\$ 0	\$ 91,172	\$ 91,172
Net Position July 1, 2023	0	294,182	294,182
Net Position June 30, 2024	\$ 0	\$ 385,354	\$ 385,354

## 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.

**SEQUATCHIE COUNTY, TENNESSEE****Statement of Activities**

Discretely Presented Sequatchie County School Department

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

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense)</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Revenue and Changes in Net Position</b>
				<b>Total Governmental Activities</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	\$ 26,162,033	\$ 115,320	\$ 6,962,886	\$ (19,083,827)
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				\$ 23,441,303
Change in Net Position				\$ 4,357,476
Net Position, July 1, 2023				57,590,346
Net Position, June 30, 2024				\$ 61,947,822



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

Discretely Presented Sequatchie County School Department

**June 30, 2024**

	<b>Major Funds</b>			<b>Nonmajor Funds</b>	
	General	School	Education	Other	Total
	Purpose	Federal	Capital	Govern-	Governmental
	School	Projects	Projects	mental	Funds
				Funds	Funds
<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
Total Assets	<u>\$ 21,767,383</u>	<u>\$ 1,000,000</u>	<u>\$ 2,841,854</u>	<u>\$ 1,428,998</u>	<u>\$ 27,038,235</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 5,100	\$ 0	\$ 0	\$ 0	\$ 5,100
Payroll Deductions Payable	804,685	0	0	0	804,685
Total Liabilities	<u>\$ 809,785</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 809,785</u>
<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	<u>\$ 2,897,140</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,660</u>	<u>\$ 2,898,800</u>

(Continued)

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

Discretely Presented Sequatchie County School Department (Cont.)

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

**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>
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Net position of governmental activities (Exhibit A)	<u>\$ 61,947,822</u>
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**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**

	<b>Major Funds</b>			<b>Nonmajor Funds</b>	
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<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	\$ 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>\$ 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	\$ 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**

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<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
Total Assets	<u>\$ 872,319</u>	<u>\$ 556,679</u>	<u>\$ 1,428,998</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Other Deferred/Unavailable Revenue	\$ 1,660	\$ 0	\$ 1,660
Total Deferred Inflows of Resources	<u>\$ 1,660</u>	<u>\$ 0</u>	<u>\$ 1,660</u>
<b>FUND BALANCES</b>			
Restricted:			
Restricted for Operation of Non-instructional Services	\$ 870,659	\$ 556,679	\$ 1,427,338
Total Fund Balances	<u>\$ 870,659</u>	<u>\$ 556,679</u>	<u>\$ 1,427,338</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 872,319</u>	<u>\$ 556,679</u>	<u>\$ 1,428,998</u>

**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**

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

**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 (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				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 (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Expenditures (Cont.)</b>						
Support Services (Cont.)						
Other Programs	\$ 13,586	\$ 0	\$ 13,586	\$ 0	\$ 13,586	\$ 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 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>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Actual</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				
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				
Fund Balance, July 1, 2023	\$ 1,000,000	0	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**

		<b>Budgeted Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Actual</b>	<b>Original</b>	<b>Final</b>	
<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	\$ (110,679)	\$ (262,845)	\$ (262,845)	\$ 152,166
<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	\$ (163,585)	\$ (315,751)	\$ (315,751)	\$ 152,166
Fund Balance, July 1, 2023	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 Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-23	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24
<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**

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
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
Total	\$ 2,608,162	\$ 645,535	\$ 111,343	\$ 3,365,040

**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			<u>\$ 200,000</u>
<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			<u>\$ 257,066</u>

**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	\$ 100,000	RLI Insurance Company
Base salary	\$ 100,157	County Commission		
Additional pay for county commission meetings	7,500			
Total compensation	<u>\$ 107,657</u>			
<b>Highway Supervisor</b>		Section 8-24-102, <i>TCA</i>	100,000	RLI Insurance Company
Base salary/Total Compensation	<u>\$ 95,388</u>			
<b>Director of Schools</b>		State Board of Education and	100,000	Auto-Owners (Mutual)
Base salary	\$ 116,100	County Board of Education		Insurance Company
Chief executive officer training supplement	1,000			
Total compensation	<u>\$ 117,100</u>			
<b>Trustee</b>		Section 8-24-102, <i>TCA</i>	859,516	RLI Insurance Company
Base salary/Total Compensation	<u>\$ 86,716</u>			
<b>Assessor of Property</b>		Section 8-24-102, <i>TCA</i>	50,000	Western Surety Company
Base salary/Total Compensation	<u>\$ 86,716</u>			
<b>County Clerk</b>		Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Base salary/Total Compensation	<u>\$ 86,716</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>\$ 86,716</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>\$ 86,716</u>			
<b>Register of Deeds</b>		Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Base salary/Total Compensation	<u>\$ 86,716</u>			
<b>Sheriff</b>		Section 8-24-102, <i>TCA</i>		
Base salary	\$ 95,388		100,000	RLI Insurance Company
Law enforcement training supplement	800			
Total Sheriff compensation	<u>\$ 96,188</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**

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Highway / Public Works	General Debt Service
Local Taxes						
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
Licenses and Permits						
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.)**

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

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Highway / Public Works	General Debt Service
<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.)**

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	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	<u>\$ 341,311</u>	<u>\$ 985</u>	<u>\$ 12,350</u>	<u>\$ 0</u>	<u>\$ 26,374</u>	<u>\$ 95,572</u>
<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	<u>\$ 863,620</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<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.)**

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

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	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	<u>\$ 20,132</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,218,425</u>	<u>\$ 0</u>	<u>0</u>
<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	<u>\$ 240,328</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 10,273,042</u>	<u>\$ 1,316,238</u>	<u>\$ 19,405</u>	<u>\$ 1,218,425</u>	<u>\$ 3,788,815</u>	<u>\$ 415,545</u>

(Continued)

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

	<b>Capital Projects Fund</b>	
	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	<u>\$ 339,599</u>	<u>\$ 8,714,112</u>
<b>Licenses and Permits</b>		
Licenses		
Cable TV Franchise	\$ 0	\$ 39,849
Permits		
Beer Permits	0	1,235
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 41,084</u>

(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.)**

	<b>Capital Projects Fund</b>	
	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	<u>\$ 0</u>	<u>\$ 67,098</u>
<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	<u>\$ 0</u>	<u>\$ 228,529</u>
<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.)**

	<b>Capital Projects Fund</b>	
	General Capital Projects	Total
<hr/>		
<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	<u>\$ 0</u>	<u>\$ 476,592</u>
 <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	<u>\$ 0</u>	<u>\$ 863,620</u>
 <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.)**

	<b>Capital Projects Fund</b>	
	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.)**

	<b><u>Capital Projects Fund</u></b>	
	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	<u>\$ 0</u>	<u>\$ 1,238,557</u>
<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	<u>\$ 0</u>	<u>\$ 240,328</u>
Total	<u>\$ 354,504</u>	<u>\$ 17,385,974</u>

**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	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	<u>\$ 5,447,098</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,447,098</u>
<b>Licenses and Permits</b>						
Licenses						
Marriage Licenses	\$ 1,330	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,330
Total Licenses and Permits	<u>\$ 1,330</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,330</u>
<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	<u>\$ 36,389</u>	<u>\$ 0</u>	<u>\$ 69,094</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 105,483</u>

(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.)

	Special Revenue Funds				Capital Projects Fund	
	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 19,082

Total General Government \$ 26,326

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 6,889

Total Public Utility Projects 30,689

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
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(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	
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(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
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**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			\$ 1,587,745

Total Central Cafeteria Fund \$ 1,587,745

**Internal School Fund**

## Operation of Non-Instructional Services

**Community Services**

Other Charges	\$	856,399	
Total Community Services			\$ 856,399

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			\$ 5,249,569

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 Grantor Program Title</b>	<b>Assistance Listing Number</b>	<b>Passed-through Entity Identifying 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)	47,063
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	47,003
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)	\$ 20,132
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)**

	Assistance Listing Number	Contract Number	Expenditures
<b>State Grants</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)	32,583
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.

Program Title	ALN	Amount Provided to Consolidated Administration
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
<b>OFFICE OF COUNTY EXECUTIVE</b>					
2023	191	2023-001	County commissioners were not paid in compliance with state statute.	N/A	Corrected
<b>OFFICE OF HIGHWAY SUPERVISOR</b>					
2023	191	2023-002	The office had deficiencies in purchasing procedures.	N/A	Corrected

**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.

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**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.

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## 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.

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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
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**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
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**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



**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**

Sequatchie 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**

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.

  
\_\_\_\_\_  
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.