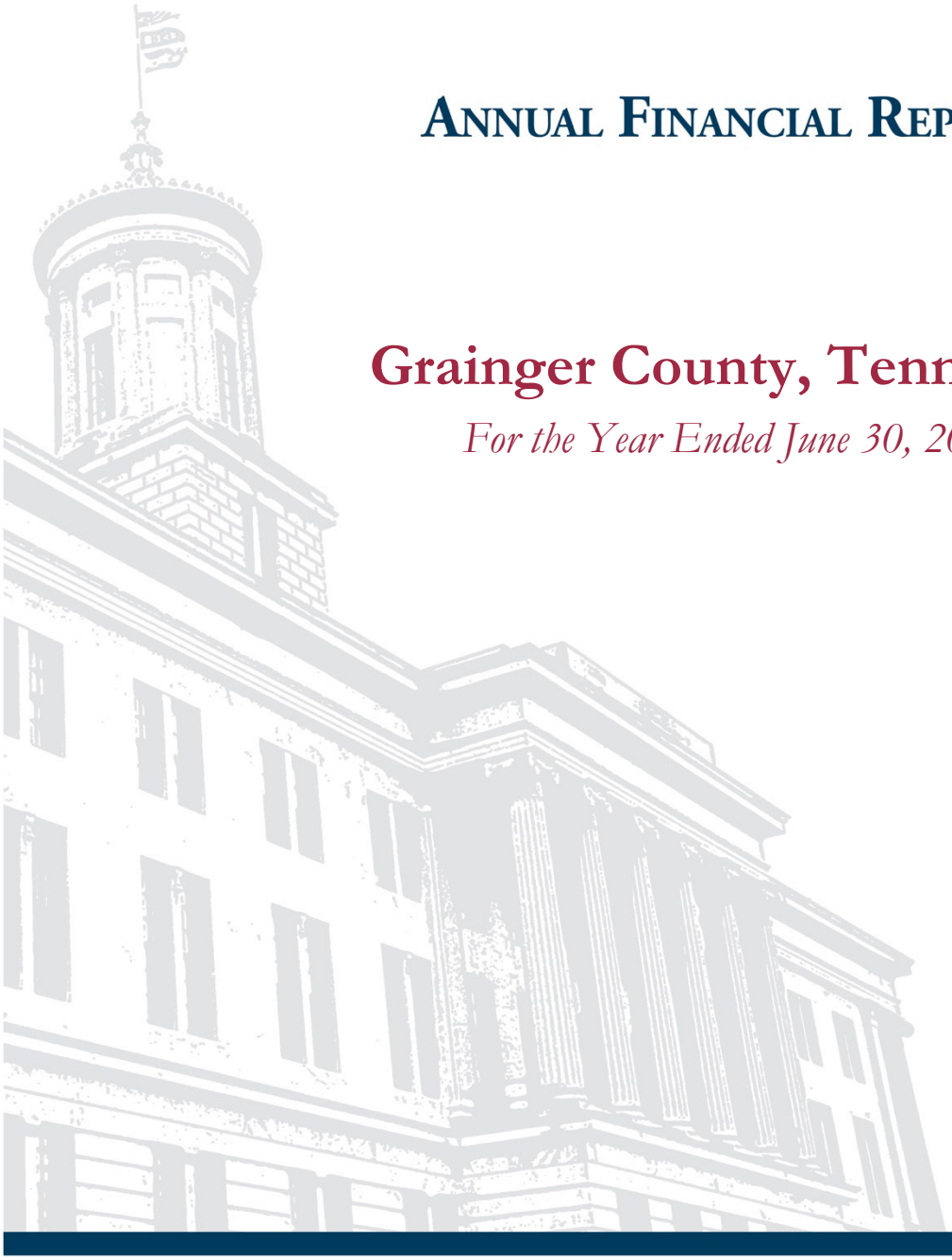
TENNESSEE COMPTROLLER OF THE TREASURY

ANNUAL FINANCIAL REPORT

Grainger County, Tennessee

For the Year Ended June 30, 2025



Jason E. Mumpower
Comptroller of the Treasury

DIVISION OF
LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

GRAINGER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2025

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

ROBERT J. ANDERSON, CPA, CGFM
Audit Manager

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

GRAINGER COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Grainger County, Tennessee
For the Year Ended June 30, 2025

Scope

We have audited the basic financial statements of Grainger County as of and for the year ended June 30, 2025.

Results

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

Our audit resulted in one finding, which we have reviewed with Grainger County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

Finding

The following are summaries of the audit finding:

OFFICE OF DIRECTOR OF SCHOOLS

- The Grainger County School Department is currently under investigation.

Introductory Section

GRAINGER COUNTY OFFICIALS

June 30, 2025

Officials

David M. Byrd, County Mayor
Charlie McAnally, Road Superintendent
Mark Briscoe, Director of Schools
Rena Greer, Trustee
Donna Shelton, Assessor of Property
Angie Lamb, County Clerk
Sherry Clifton, Circuit and General Sessions Courts Clerk
Vickie Greenlee, Clerk and Master
Rick Diamond, Register of Deeds
James Harville, Sheriff

Board of County Commissioners

Mike Holt, Chairman
James Acuff
Anna Blanken
Andy Cameron
Jesse Cline
Tina Davis
Justin Epperson
Jennifer Holt
Edward McBee
Wendy Noe
Rodney Overbay
Darrell Stratton
Luke Stratton
Darrell Williams
Scott Wynn

Board of Education

Harold Frazier, Chairman
Sheila Bailey
Steve Blanken
Johnny Brooks
Steve Hodge
Tandy Nicely
Marcus Long
Karen McNish
Norma Tate
Zack Holbrook

Audit Committee

Scott Wynn, Chairman
James Acuff
Andy Cameron
Luke Stratton

Financial Section

Jason E. Mumpower
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grainger County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grainger County, Tennessee, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Grainger County School Department, which represent 1.96 percent, 2.42 percent, and 3.8 percent, respectively, of the assets, net position, and revenues of the discretely presented Grainger County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Grainger County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grainger 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.

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Changes in Accounting Principle

As described in Note V.B., Grainger County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures. GASB 102 provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling ($68,952) for the primary government and ($192,141) for the discretely presented Grainger County School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

In addition, we draw attention to Note I.D.9. to the financial statements, which describes a restatement to the beginning Governmental Activities net position totaling $2,156,802 for the discretely presented Grainger County School Department. This restatement was necessary due to an error in the calculation of termination benefits under the requirements of GASB Statement No. 47, *Accounting for Termination Benefits*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grainger 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 Grainger 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 Grainger County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grainger County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Grainger County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements

of the Grainger 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 November 7, 2025, on our consideration of Grainger 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 Grainger 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 Grainger County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 7, 2025

JEM/gc

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Basic Financial Statements Section

GRAINGER COUNTY, TENNESSEE
Statement of Net Position
June 30, 2025

	Primary Government	Component Unit
	Governmental Activities	Grainger County School Department
ASSETS		
Cash	$ 56,622	$ 1,297,414
Equity in Pooled Cash and Investments	16,340,248	16,067,131
Accounts Receivable	615,194	11,460
Allowance for Uncollectible Accounts Receivable	(205,172)	0
Due from Other Governments	546,639	2,381,043
Property Taxes Receivable	9,938,793	2,763,733
Allowance for Uncollectible Property Taxes	(200,974)	(55,799)
Net Pension Asset - Agent Plan	2,292,500	1,671,706
Net Pension Asset - Teacher Retirement Plan	0	122,071
Net Pension Asset - Teacher Legacy Pension Plan	0	6,011,839
Restricted Assets - Amounts Accumulated for Pension Benefits	0	371,732
Capital Assets:		
Assets Not Depreciated:		
Land	1,779,446	1,478,572
Construction in Progress	148,594	40,675
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	8,016,817	30,311,037
Infrastructure	1,865,762	0
Other Capital Assets	2,496,419	3,421,750
Total Assets	$ 43,690,888	$ 65,894,364
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	$ 40,330	$ 0
Pension Changes in Experience	702,285	2,125,392
Pension Changes in Assumptions	534,375	438,179
Pension Changes in Proportion	0	387,334
Pension Contributions After Measurement Date	432,296	1,205,326
OPEB Changes in Experience	0	414,273
OPEB Changes in Proportion	0	44,906
OPEB Changes in Assumptions	0	785,349
OPEB Contributions After Measurement Date	0	215,871
Total Deferred Outflows of Resources	$ 1,709,286	$ 5,616,630

(Continued)

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

	Primary Government	Component Unit
	Governmental Activities	Grainger County School Department
LIABILITIES		
Accounts Payable	$ 140,488	$ 531,035
Accrued Payroll	187,869	86,378
Payroll Deductions Payable	108,878	1,557,694
Contracts Payable	140,856	0
Due to State of Tennessee	9,293	0
Accrued Interest Payable	53,321	0
Other Current Liabilities	317	0
Noncurrent Liabilities:		
Due Within One Year - Debt	1,667,692	0
Due Within One Year - Other	242,974	468,872
Due in More Than One Year - Debt	8,588,389	0
Due in More Than One Year - Other	381,688	7,600,869
Total Liabilities	$ 11,521,765	$ 10,244,848
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 9,492,535	$ 2,639,947
Pension Changes in Experience	56,508	78,710
Pension Changes in Investment Earnings	270,688	1,388,842
Pension Changes in Proportion	0	32,522
OPEB Changes in Experience	0	393,208
OPEB Changes in Proportion	0	484,199
OPEB Changes in Assumptions	0	718,886
Total Deferred Inflows of Resources	$ 9,819,731	$ 5,736,314
NET POSITION		
Net Investment in Capital Assets	$ 11,900,228	$ 35,252,034
Restricted for:		
General Government	285,624	0
Finance	139,557	0
Administration of Justice	68,737	0
Public Safety	508,695	0
Public Health and Welfare	304,854	0
Social, Cultural, and Recreational Services	214,541	0
Highways/Public Works	2,915,119	0
Education	0	2,635,590
Pensions	2,292,500	8,177,348
Capital Projects	83,085	21,966
Unrestricted	5,345,738	9,442,894
Total Net Position	$ 24,058,678	$ 55,529,832

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

GRAINGER COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Grainger County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 2,650,199	$ 243,855	$ 144,906	$ 123,943	$ (2,137,495)	$ 0
Finance	1,035,208	801,164	0	0	(234,044)	0
Administration of Justice	984,165	407,131	67,358	0	(509,676)	0
Public Safety	4,752,771	262,000	584,759	0	(3,906,012)	0
Public Health and Welfare	4,088,814	1,471,987	205,496	499,565	(1,911,766)	0
Social, Cultural, and Recreational Services	596,717	27,179	21,107	0	(548,431)	0
Agriculture and Natural Resources	191,309	0	0	0	(191,309)	0
Highways	3,527,834	31,942	2,229,577	646,464	(619,851)	0
Debt Service:						
Interest	148,912	0	0	0	(148,912)	0
Total Primary Government	$ 17,975,929	$ 3,245,258	$ 3,253,203	$ 1,269,972	$ (10,207,496)	$ 0
Component Unit:						
Grainger County School Department	$ 42,561,575	$ 163,884	$ 9,111,643	$ 0	$ 0	$ (33,286,048)
Total Component Unit	$ 42,561,575	$ 163,884	$ 9,111,643	$ 0	$ 0	$ (33,286,048)

(Continued)

GRAINGER COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Grainger County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 6,747,618	$ 2,695,267
Property Taxes Levied for Solid Waste/Sanitation					1,265,016	0
Property Taxes Levied for Sports and Recreation					170,319	0
Property Taxes Levied for Highway					647,450	0
Property Taxes Levied for Debt Service					509,357	0
Local Option Sales Taxes					1,289,238	3,044,915
Hotel/Motel Tax					25,450	0
Litigation Tax					91,003	0
Litigation Tax Courtroom Security					2,864	0
Business Tax					161,036	42,694
Mixed Drink Tax					446	0
Mineral Severance					53,897	0
Wholesale Beer Tax					16,474	0
Grants and Contributions Not Restricted to Specific Programs					2,512,788	27,223,589
Unrestricted Investment Income					1,198,325	25,037
Miscellaneous					92,373	524,677
Total General Revenues					$ 14,783,654	$ 33,556,179
Change in Net Position					$ 4,576,158	$ 270,131
Net Position, July 1, 2024					19,551,472	53,295,040
Restatement - See Note I.D.9. - GASB Statement 47					0	2,156,802
Restatement - See Note I.D.9. - GASB Statement 101					(68,952)	(192,141)
Net Position, June 30, 2025					$ 24,058,678	$ 55,529,832

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

GRAINGER COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
June 30, 2025

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 400	$ 0	$ 312	$ 0	$ 55,910	$ 56,622
Equity in Pooled Cash and Investments	6,277,665	229,612	3,852,410	4,896,462	1,084,099	16,340,248
Accounts Receivable	581,583	496	0	0	33,115	615,194
Allowance for Uncollectibles	(205,172)	0	0	0	0	(205,172)
Due from Other Governments	145,395	0	401,244	0	0	546,639
Due from Other Funds	48,499	0	0	0	0	48,499
Property Taxes Receivable	7,844,802	1,072,088	710,984	123,961	186,958	9,938,793
Allowance for Uncollectible Property Taxes	(154,212)	(21,956)	(14,355)	(6,677)	(3,774)	(200,974)
Total Assets	$ 14,538,960	$ 1,280,240	$ 4,950,595	$ 5,013,746	$ 1,356,308	$ 27,139,849
LIABILITIES						
Accounts Payable	$ 87,422	$ 51,772	$ 659	$ 0	$ 635	$ 140,488
Accrued Payroll	180,701	5,584	0	0	1,584	187,869
Payroll Deductions Payable	54,741	1,496	51,859	0	782	108,878
Contracts Payable	0	0	0	0	140,856	140,856
Due to Other Funds	0	0	0	1,871	46,628	48,499
Due to State of Tennessee	8,789	124	374	0	6	9,293
Other Current Liabilities	5	0	312	0	0	317
Total Liabilities	$ 331,658	$ 58,976	$ 53,204	$ 1,871	$ 190,491	$ 636,200

(Continued)

GRAINGER COUNTY, TENNESSEE
Balance Sheet - Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 7,508,320	$ 1,022,964	$ 679,139	$ 103,527	$ 178,585	$ 9,492,535
Deferred Delinquent Property Taxes	139,777	24,258	13,413	10,550	3,527	191,525
Other Deferred/Unavailable Revenue	297,999	0	187,176	0	0	485,175
Total Deferred Inflows of Resources	$ 7,946,096	$ 1,047,222	$ 879,728	$ 114,077	$ 182,112	$ 10,169,235
FUND BALANCES						
Restricted:						
Restricted for General Government	$ 145,847	$ 0	$ 0	$ 0	$ 0	$ 145,847
Restricted for Finance	87,247	0	0	0	52,310	139,557
Restricted for Administration of Justice	33,616	0	0	0	26,842	60,458
Restricted for Public Safety	449,281	0	0	0	59,414	508,695
Restricted for Public Health and Welfare	83,928	0	0	0	220,926	304,854
Restricted for Social, Cultural, and Recreational Services	1,572	0	0	0	72,113	73,685
Restricted for Other Operations	8,279	0	0	0	0	8,279
Restricted for Highways/Public Works	0	0	2,901,706	0	0	2,901,706
Restricted for Capital Projects	83,085	0	0	0	0	83,085
Committed:						
Committed for Public Health and Welfare	296,845	174,042	0	0	0	470,887
Committed for Highways/Public Works	0	0	1,115,957	0	0	1,115,957
Committed for Debt Service	0	0	0	4,897,798	0	4,897,798

(Continued)

GRAINGER COUNTY, TENNESSEE
Balance Sheet - Governmental Funds (Cont.)

FUND BALANCES (Cont.)	Major Funds				Nonmajor Funds	
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Committed (Cont.):						
Committed for Other Purposes	$ 0	$ 0	$ 0	$ 0	$ 552,100	$ 552,100
Assigned:						
Assigned for General Government	2,126,434	0	0	0	0	2,126,434
Assigned for Finance	1,593	0	0	0	0	1,593
Assigned for Administration of Justice	3,970	0	0	0	0	3,970
Assigned for Public Safety	75,418	0	0	0	0	75,418
Assigned for Public Health and Welfare	1,273,210	0	0	0	0	1,273,210
Assigned for Social, Cultural, and Recreational Services	618	0	0	0	0	618
Assigned for Highways/Public Works	7,045	0	0	0	0	7,045
Unassigned	1,583,218	0	0	0	0	1,583,218
Total Fund Balances	$ 6,261,206	$ 174,042	$ 4,017,663	$ 4,897,798	$ 983,705	$ 16,334,414
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 14,538,960	$ 1,280,240	$ 4,950,595	$ 5,013,746	$ 1,356,308	$ 27,139,849

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

GRAINGER COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

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)			$ 16,334,414
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	$	1,779,446	
Add: construction in progress		148,594	
Add: buildings and improvements net of accumulated depreciation		8,016,817	
Add: infrastructure net of accumulated depreciation		1,865,762	
Add: other capital assets net of accumulated depreciation		2,496,419	14,307,038
(2) Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	$	(8,925,000)	
Less: other loans payable		(734,576)	
Add: deferred amount on refunding		40,330	
Less: compensated absences payable		(184,049)	
Less: landfill closure/postclosure care costs		(440,613)	
Less: accrued interest on bonds and other loans		(53,321)	
Less: unamortized premium on debt		(596,505)	(10,893,734)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	$	1,668,956	
Less: deferred inflows of resources related to pensions		(327,196)	1,341,760
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			2,292,500
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			676,700
Net position of governmental activities (Exhibit A)			$ 24,058,678

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

GRAINGER COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	Major Funds				
	General	Solid Waste / Sanitation	*Formerly Major* Other General Government Fund	Highway / Public Works	General Debt Service
Revenues					
Local Taxes	$ 8,036,641	$ 1,069,119	$ 0	$ 754,340	$ 1,244,029
Licenses and Permits	71,275	0	0	0	0
Fines, Forfeitures, and Penalties	122,509	2,783	0	1,795	1,329
Charges for Current Services	1,372,473	3,944	0	990	0
Other Local Revenues	109,863	60,168	0	1,471	1,189,137
Fees Received From County Officials	863,102	0	0	0	0
State of Tennessee	1,762,753	138,403	0	2,939,160	49,548
Federal Government	1,002,041	0	0	12,570	0
Other Governments and Citizens Groups	90,135	0	0	0	823,072
Total Revenues	$ 13,430,792	$ 1,274,417	$ 0	$ 3,710,326	$ 3,307,115
Expenditures					
Current:					
General Government	$ 1,517,474	$ 0	$ 0	$ 0	$ 0
Finance	818,081	0	0	0	0
Administration of Justice	884,985	0	0	0	0
Public Safety	4,741,695	0	0	0	0
Public Health and Welfare	2,667,066	1,215,093	0	0	0
Social, Cultural, and Recreational Services	287,685	0	0	0	0
Agriculture and Natural Resources	191,851	0	0	0	0

(Continued)

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

	Major Funds				
	General	Solid Waste / Sanitation	*Formerly Major* Other General Government Fund	Highway / Public Works	General Debt Service
Expenditures (Cont.)					
Current (Cont.)					
Other Operations	$ 1,203,151	$ 0	$ 0	$ 0	$ 0
Highways	73,437	0	0	3,326,701	0
Debt Service:					
Principal on Debt	0	0	0	0	1,636,024
Interest on Debt	0	0	0	0	354,248
Other Debt Service	0	0	0	0	33,638
Total Expenditures	$ 12,385,425	$ 1,215,093	$ 0	$ 3,326,701	$ 2,023,910
Excess (Deficiency) of Revenues Over Expenditures	$ 1,045,367	$ 59,324	$ 0	$ 383,625	$ 1,283,205
Other Financing Sources (Uses)					
Insurance Recovery	$ 7,574	$ 17,928	$ 0	$ 12,933	$ 0
Transfers In	75,890	0	0	0	0
Transfers Out	(142,421)	0	0	0	0
Total Other Financing Sources (Uses)	$ (58,957)	$ 17,928	$ 0	$ 12,933	$ 0
Net Change in Fund Balances	$ 986,410	$ 77,252	$ 0	$ 396,558	$ 1,283,205
Change to or Within the Reporting Entity	0	0	(937,431)	0	0
Fund Balance, July 1, 2024	5,274,796	96,790	937,431	3,621,105	3,614,593
Fund Balance, June 30, 2025	$ 6,261,206	$ 174,042	$ 0	$ 4,017,663	$ 4,897,798

(Continued)

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

	Nonmajor Funds: Other Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	$ 187,754	$ 11,291,883
Licenses and Permits	0	71,275
Fines, Forfeitures, and Penalties	7,080	135,496
Charges for Current Services	294,494	1,671,901
Other Local Revenues	27,623	1,388,262
Fees Received From County Officials	0	863,102
State of Tennessee	149,331	5,039,195
Federal Government	0	1,014,611
Other Governments and Citizens Groups	0	913,207
Total Revenues	$ 666,282	$ 22,388,932
Expenditures		
Current:		
General Government	$ 6,302	$ 1,523,776
Finance	229,203	1,047,284
Administration of Justice	32,010	916,995
Public Safety	1,064	4,742,759
Public Health and Welfare	100,595	3,982,754
Social, Cultural, and Recreational Services	250,189	537,874
Agriculture and Natural Resources	0	191,851

(Continued)

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

	Nonmajor Funds: Other Governmental Funds	Total Governmental Funds
Expenditures (Cont.)		
Current (Cont.)		
Other Operations	$ 455,975	$ 1,659,126
Highways	0	3,400,138
Debt Service:		
Principal on Debt	0	1,636,024
Interest on Debt	0	354,248
Other Debt Service	0	33,638
Total Expenditures	$ 1,075,338	$ 20,026,467
Excess (Deficiency) of Revenues Over Expenditures	$ (409,056)	$ 2,362,465
Other Financing Sources (Uses)		
Insurance Recovery	$ 0	$ 38,435
Transfers In	142,421	218,311
Transfers Out	(75,890)	(218,311)
Total Other Financing Sources (Uses)	$ 66,531	$ 38,435
Net Change in Fund Balances	$ (342,525)	$ 2,400,900
Change to or Within the Reporting Entity	937,431	0
Fund Balance, July 1, 2024	388,799	13,933,514
Fund Balance, June 30, 2025	$ 983,705	$ 16,334,414

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

GRAINGER 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, 2025

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)		$ 2,400,900
(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	$ 950,782	
Less: current-year depreciation expense	(921,031)	29,751
(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, 2025	$ 676,700	
Less: deferred delinquent property taxes and other deferred June 30, 2024	(551,980)	124,720
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Add: change in premium on debt issuances	$ 262,426	
Add: principal payments on bonds	1,525,000	
Add: principal payments on other loans	111,024	
Less: change in deferred amount on refunding debt	(30,262)	1,868,188
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ 6,810	
Change in compensated absences payable	40,670	
Change in landfill closure/postclosure care costs	61,388	
Change in net pension asset - agent plan	935,791	
Change in deferred outflows related to pensions	(726,473)	
Change in deferred inflows related to pensions	(165,587)	152,599
Change in net position of governmental activities (Exhibit B)		$ 4,576,158

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

GRAINGER COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 8,036,641	$ 0	$ 0	$ 8,036,641	$ 7,212,344	$ 7,212,344	$ 824,297
Licenses and Permits	71,275	0	0	71,275	86,850	86,850	(15,575)
Fines, Forfeitures, and Penalties	122,509	0	0	122,509	83,005	83,005	39,504
Charges for Current Services	1,372,473	0	0	1,372,473	1,106,750	1,106,750	265,723
Other Local Revenues	109,863	0	0	109,863	76,200	102,295	7,568
Fees Received From County Officials	863,102	0	0	863,102	691,600	691,600	171,502
State of Tennessee	1,762,753	0	0	1,762,753	2,006,035	2,251,057	(488,304)
Federal Government	1,002,041	0	0	1,002,041	4,139,777	5,136,593	(4,134,552)
Other Governments and Citizens Groups	90,135	0	0	90,135	5,000	8,906	81,229
Total Revenues	$ 13,430,792	$ 0	$ 0	$ 13,430,792	$ 15,407,561	$ 16,679,400	$ (3,248,608)
Expenditures							
General Government							
County Commission	$ 64,891	$ 0	$ 0	$ 64,891	$ 52,768	$ 67,197	$ 2,306
Board of Equalization	750	0	0	750	3,125	3,125	2,375
Beer Board	500	0	0	500	1,250	1,250	750
Budget and Finance Committee	3,500	0	0	3,500	5,000	5,000	1,500
County Mayor/Executive	266,079	0	524	266,603	269,341	273,454	6,851
Election Commission	242,397	(2,095)	304	240,606	290,881	295,493	54,887
Register of Deeds	244,600	0	525	245,125	226,675	251,160	6,035

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
General Government (Cont.)							
Planning	$ 21,987	$ 0	$ 0	$ 21,987	$ 25,613	$ 25,613	$ 3,626
County Buildings	128,377	(4,790)	7,281	130,868	156,951	156,951	26,083
Other Facilities	520,948	(2,529)	3,056	521,475	449,338	550,253	28,778
Preservation of Records	23,445	0	0	23,445	22,916	23,966	521
Finance							
Property Assessor's Office	243,845	0	276	244,121	251,444	256,444	12,323
County Trustee's Office	109,838	(2,688)	380	107,530	114,021	114,021	6,491
County Clerk's Office	464,398	(6,910)	1,407	458,895	400,592	473,062	14,167
Administration of Justice							
Circuit Court	258,534	(792)	2,004	259,746	261,740	262,783	3,037
General Sessions Court	279,881	(327)	945	280,499	277,424	283,381	2,882
Chancery Court	172,785	0	705	173,490	177,444	177,444	3,954
Juvenile Court	115,871	(244)	316	115,943	146,706	146,706	30,763
District Attorney General	57,914	0	0	57,914	60,164	60,164	2,250
Public Safety							
Sheriff's Department	2,624,254	(25,816)	35,978	2,634,416	2,679,389	2,818,484	184,068
Jail	1,799,997	(106,592)	38,418	1,731,823	1,901,417	1,848,696	116,873
Fire Prevention and Control	1,500	0	0	1,500	1,500	1,500	0
Civil Defense	52,830	(10,201)	1,022	43,651	73,016	73,016	29,365

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety (Cont.)							
Other Emergency Management	$ 259,018	$ 0	$ 0	$ 259,018	$ 260,018	$ 260,018	$ 1,000
Inspection and Regulation	4,096	0	0	4,096	4,125	4,125	29
Public Health and Welfare							
Local Health Center	456,770	(22,114)	491,623	926,279	847,729	962,782	36,503
Ambulance/Emergency Medical Services	2,127,450	(37,647)	29,182	2,118,985	2,207,980	2,252,757	133,772
Appropriation to State	22,200	0	0	22,200	21,484	22,200	0
General Welfare Assistance	60,646	0	100,750	161,396	206,901	206,901	45,505
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	82,340	0	0	82,340	71,278	87,616	5,276
Libraries	205,345	(260)	228	205,313	196,248	213,048	7,735
Agriculture and Natural Resources							
Agricultural Extension Service	77,508	0	0	77,508	80,314	80,314	2,806
Soil Conservation	114,343	0	139	114,482	126,997	126,997	12,515
Other Operations							
Tourism	43,742	0	6,800	50,542	31,000	257,520	206,978
Industrial Development	97,842	0	1,153	98,995	86,813	106,508	7,513
Other Economic and Community Development	251,749	(94,889)	548,792	705,652	3,451,661	4,426,445	3,720,793
Veterans' Services	19,755	0	0	19,755	22,748	24,123	4,368
Other Charges	573,348	0	0	573,348	578,046	615,002	41,654

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations (Cont.)							
Contributions to Other Agencies	$ 3,775	$ 0	$ 0	$ 3,775	$ 6,677	$ 6,677	$ 2,902
Miscellaneous	212,940	0	0	212,940	223,400	229,017	16,077
Highways							
Litter and Trash Collection	73,437	0	0	73,437	70,135	81,060	7,623
Total Expenditures	$ 12,385,425	$ (317,894)	$ 1,271,808	$ 13,339,339	$ 16,342,269	$ 18,132,273	$ 4,792,934
Excess (Deficiency) of Revenues Over Expenditures	$ 1,045,367	$ 317,894	$ (1,271,808)	$ 91,453	$ (934,708)	$ (1,452,873)	$ 1,544,326
Other Financing Sources (Uses)							
Insurance Recovery	$ 7,574	$ 0	$ 0	$ 7,574	$ 0	$ 7,574	$ 0
Transfers In	75,890	0	0	75,890	57,495	75,890	0
Transfers Out	(142,421)	0	0	(142,421)	0	(142,421)	0
Total Other Financing Sources	$ (58,957)	$ 0	$ 0	$ (58,957)	$ 57,495	$ (58,957)	$ 0
Net Change in Fund Balance	$ 986,410	$ 317,894	$ (1,271,808)	$ 32,496	$ (877,213)	$ (1,511,830)	$ 1,544,326
Fund Balance, July 1, 2024	5,274,796	(317,894)	0	4,956,902	2,036,217	2,036,217	2,920,685
Fund Balance, June 30, 2025	$ 6,261,206	$ 0	$ (1,271,808)	$ 4,989,398	$ 1,159,004	$ 524,387	$ 4,465,011

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

GRAINGER COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,069,119	$ 0	$ 0	$ 1,069,119	$ 1,034,572	$ 1,034,572	$ 34,547
Fines, Forfeitures, and Penalties	2,783	0	0	2,783	2,116	2,116	667
Charges for Current Services	3,944	0	0	3,944	2,800	2,800	1,144
Other Local Revenues	60,168	0	0	60,168	38,000	38,000	22,168
State of Tennessee	138,403	0	0	138,403	88,000	213,680	(75,277)
Total Revenues	$ 1,274,417	$ 0	$ 0	$ 1,274,417	$ 1,165,488	$ 1,291,168	$ (16,751)
Expenditures							
Public Health and Welfare							
Sanitation Management	$ 1,200,848	$ (950)	$ 89	$ 1,199,987	$ 1,131,292	$ 1,214,166	$ 14,179
Recycling Center	0	0	91,716	91,716	0	92,000	284
Postclosure Care Costs	14,245	0	0	14,245	15,500	14,500	255
Total Expenditures	$ 1,215,093	$ (950)	$ 91,805	$ 1,305,948	$ 1,146,792	$ 1,320,666	$ 14,718
Excess (Deficiency) of Revenues Over Expenditures	$ 59,324	$ 950	$ (91,805)	$ (31,531)	$ 18,696	$ (29,498)	$ (2,033)
Other Financing Sources (Uses)							
Insurance Recovery	$ 17,928	$ 0	$ 0	$ 17,928	$ 0	$ 17,928	$ 0
Total Other Financing Sources	$ 17,928	$ 0	$ 0	$ 17,928	$ 0	$ 17,928	$ 0
Net Change in Fund Balance	$ 77,252	$ 950	$ (91,805)	$ (13,603)	$ 18,696	$ (11,570)	$ (2,033)
Fund Balance, July 1, 2024	96,790	(950)	0	95,840	91,693	91,693	4,147
Fund Balance, June 30, 2025	$ 174,042	$ 0	$ (91,805)	$ 82,237	$ 110,389	$ 80,123	$ 2,114

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

GRAINGER COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	$ 754,340	$ 737,862	$ 737,862	$ 16,478
Fines, Forfeitures, and Penalties	1,795	1,407	1,407	388
Charges for Current Services	990	900	900	90
Other Local Revenues	1,471	0	0	1,471
State of Tennessee	2,939,160	2,895,875	2,895,875	43,285
Federal Government	12,570	0	12,570	0
Total Revenues	$ 3,710,326	$ 3,636,044	$ 3,648,614	$ 61,712
Expenditures				
Highways				
Administration	$ 217,702	$ 253,505	$ 234,505	$ 16,803
Highway and Bridge Maintenance	1,614,140	1,667,050	1,703,870	89,730
Operation and Maintenance of Equipment	356,495	444,350	449,100	92,605
Other Charges	315,817	345,100	335,100	19,283
Capital Outlay	822,547	864,173	877,106	54,559
Total Expenditures	$ 3,326,701	$ 3,574,178	$ 3,599,681	$ 272,980
Excess (Deficiency) of Revenues Over Expenditures	$ 383,625	$ 61,866	$ 48,933	$ 334,692
Other Financing Sources (Uses)				
Insurance Recovery	$ 12,933	$ 0	$ 12,933	$ 0
Total Other Financing Sources	$ 12,933	$ 0	$ 12,933	$ 0
Net Change in Fund Balance	$ 396,558	$ 61,866	$ 61,866	$ 334,692
Fund Balance, July 1, 2024	3,621,105	3,523,970	3,523,970	97,135
Fund Balance, June 30, 2025	$ 4,017,663	$ 3,585,836	$ 3,585,836	$ 431,827

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

GRAINGER COUNTY, TENNESSEE
Statement of Net Position - Fiduciary Funds
June 30, 2025

	Custodial Funds
ASSETS	
Cash	$ 776,733
Due from Other Governments	291,032
Total Assets	$ 1,067,765
LIABILITIES	
Due to Other Taxing Units	$ 291,032
Total Liabilities	$ 291,032
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	$ 776,733
Total Net Position	$ 776,733

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

GRAINGER COUNTY, TENNESSEE
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	$ 1,725,795
Fines/Fees and Other Collections	5,628,107
Total Additions	$ 7,353,902
DEDUCTIONS	
Payment of Sales Tax Collections for Other Governments	$ 1,725,795
Payments to State	3,794,233
Payments to Individuals and Others	2,167,573
Total Deductions	$ 7,687,601
Net Increase (Decrease) in Fiduciary Net Position	$ (333,699)
Net Position, July 1, 2024	1,110,432
Net Position, June 30, 2025	$ 776,733

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

GRAINGER COUNTY, TENNESSEE
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grainger 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 Grainger County:

A. Reporting Entity

Grainger County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Grainger County (the primary government) and its component units. The financial statements of the Grainger County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its 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 Grainger County School Department operates the public school system in the county, and the voters of Grainger 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 Grainger County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Grainger County, and the Grainger 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 Grainger County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Grainger County Emergency
Communications District
P.O. Box 560
Rutledge, TN 37861

Related Organization – The Grainger County Industrial Development Board is a related organization of Grainger County. The Grainger County Commission elects the board members, but the county's accountability 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 Grainger 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 Grainger 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.

Grainger County issues all debt for the discretely presented Grainger County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2025.

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 Grainger County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balance/fund net position, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Grainger 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. Grainger 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.

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

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

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

Additionally, Grainger County reports the following fund type:

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 Grainger County.

The discretely presented Grainger County School Department reports the following major governmental fund:

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.

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

Special Revenue Funds – These funds 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.

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 25) 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 24) 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 Tennessee Comptroller of the Treasury's website.

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 loans 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 Grainger County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Grainger 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. Grainger County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

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.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible ambulance receivables is management's estimate based on prior collections and aging reports. The allowance for uncollectible property taxes is equal to 1.06 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. Other current liabilities for General and Highway/Public Works Funds consist primarily of the balance of the payroll benefit clearing account.

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 Grainger 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 Grainger County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Grainger County School Department has not withdrawn any funds from the trust to pay pension costs. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of $5,000 or more and an estimated useful life of five or more years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	50
Other Capital Assets	5 - 25
Infrastructure:	
Roads	20
Bridges	40

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 a deferred charge on refunding, pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt

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, pension changes in investment earnings, pension and OPEB changes in 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

It is the primary government's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. All vacation and compensatory pay is accrued when incurred in the government-wide financial statements for the primary government. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. Since Grainger County does not have a policy to pay any amounts when employees separate from service with the government, only the portion of sick leave "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for vacation pay, compensatory pay, or sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the county's policies.

Discretely Presented Grainger County School Department

The discretely presented school department's policy allows employees to accumulate sick pay benefits but not vacation benefits nor compensatory time. Except for amounts payable upon retirement as discussed in Note V.I. Termination Benefits, there is no liability for unpaid accumulated sick leave since the school department does not have a policy to pay any amounts when employees separate from service with the government. All vacation, compensatory time, and termination benefits are accrued when incurred in the government-wide financial statements for the school department. Only a portion of the remaining unpaid accumulated sick leave "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for vacation pay, compensatory time, or sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the school department's policies.

7. Long-term Debt and Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is

reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, landfill closure/postclosure care costs, retirement incentives, retirement honorariums, 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 their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2025, Grainger County had $7,541,576 in outstanding debt for capital purposes for the discretely presented school department. This debt is a liability of Grainger County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Grainger County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors,

contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

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 makes assignments for the general government. The Director of Schools, by resolution, was authorized to make assignments for the school department for the 2024-2025 year. Assigned fund balance in the General Fund primarily consists of amounts appropriated for use for encumbrances ($1,271,808), amounts appropriated for use in the 2025-2026 budget ($787,020), and for future capital outlays ($1,429,460). Assigned fund balance in the school department's General Purpose School Fund consists of amounts appropriated for use in the 2025-2026 budget ($2,150,375) and for future capital outlays ($3,841,243).

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. Restatements

In prior years, the discretely presented Grainger County School Department had recorded a liability for termination benefits when an employee became eligible for the benefit rather than when the employee accepted the offer due to a misapplication of GASB Statement 47, *Accounting for Termination Benefits.* As a result, the school department must recognize a restatement to the beginning net position in the Government-wide financial statements for the discretely presented Grainger County School Department to eliminate the termination benefits liability. A restatement of $2,156,802 has been presented to reflect the beginning balance of the discretely presented Grainger County School Department.

With the implementation of GASB Statement 101, *Compensated Absences,* Grainger County must recognize a restatement to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented Grainger County School Department to record compensated absences liabilities. A restatement of ($68,952) has been presented to reflect the beginning balance of the primary government and ($192,141) for the discretely presented Grainger County School Department. The following table reflects the restatement amounts necessary to implement this standard:

The following table reflects the restatement amounts necessary to correct the error in reporting termination benefits and to implement GASB Statement 101, *Compensated Absences*.

	Government Wide - Governmental Activities	
	Primary Government	Discretely Presented Grainger County School Department
Net Position, as previously reported	$ 19,551,472	$ 53,295,040
Adjustment to correct an error in reporting Termination Benefits	0	2,156,802
Adjustments for GASB 101 Implementation: Compensated Absences Liability	(68,952)	(192,141)
Net Change in Beginning Net Position	$ (68,952)	$ 1,964,661
Net Position, June 30, 2024 Restated	$ 19,482,520	$ 55,259,701

10. Changes To or Within the Financial Reporting Entity

Changes in Major Fund Classification (Column A)

Fund classifications are evaluated annually in accordance with the criteria established in GASB Statement No. 34. During fiscal year 2025, the following funds experienced changes in major fund status:

The Other General Government Fund no longer met the quantitative threshold and is presented as a nonmajor governmental fund. The prior-year amount has been restated to reflect the fund within the Nonmajor Governmental Funds column.

In the discretely presented Grainger County School Department, the School Federal Projects Fund no longer met the quantitative threshold and is presented as a nonmajor governmental fund. The prior-year amount has been restated to reflect the fund within the Nonmajor Governmental Funds column.

These presentation changes are reported retrospectively in accordance with GASB Statement No. 100 and do not affect the previously reported total governmental fund balances or changes in fund balances.

	7-1-24 As Previously Reported	Change To or Within the Financial Reporting Entity (A)	7-1-24 As Restated
Primary Government			
Governmental Funds			
Major Fund:			
Other General Government	$ 937,431	$ (937,431)	$ 0
Nonmajor Funds	388,799	937,431	1,326,230
Total Governmental Funds	$ 1,326,230	$ 0	$ 1,326,230
Discretely Presented Grainger County School Department			
Major Fund:			
School Federal Projects	$ 1,200,000	$ (1,200,000)	$ 0
Nonmajor Funds	2,239,008	1,200,000	3,439,008
Total Governmental Funds Discretely Presented Grainger County School Department	$ 3,439,008	$ 0	$ 3,439,008

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

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Grainger County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Grainger 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 Grainger County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Grainger County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, Budget and Finance Committee, County Mayor/Executive, Election Commission, 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. Any difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

On June 30, 2025, Grainger County reported the following encumbrances:

Fund	Amount
Primary Government:	
Major Funds:	
General	$ 1,271,808
Solid Waste/Sanitation	91,805
Nonmajor governmental funds	9,155

B. Pending Investigation

An investigation by the Comptroller's Division of Investigation is ongoing for the Discretely Presented Grainger County School Department. Findings, if any, resulting from the investigation will be included in a subsequent report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Grainger County and the Grainger 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.

Investment Balances. As of June 30, 2025, Grainger County had the following investments carried at fair value using the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Grainger County and the discretely presented Grainger County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Maturities	Fair Value
Investments at Fair Value:			
U.S. Treasury Bill	N/A	7-31-25	$ 979,436
Total			$ 979,436

		Fair Value Measurements Using		
Investment by Fair Value Level	Fair Value 6-30-25	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Bills	$ 979,436	$ 979,436	$ 0	$ 0

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Grainger County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Grainger County has no investment policy that would further limit its investment choices.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Grainger County does not have a formal policy that limits custodial credit risk for investments.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report.

TCRS Stabilization Trust

Legal Provisions. The Grainger 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 Grainger 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, 2025, the Grainger 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	$	115,237
Developed Market International Equity	N/A	N/A		52,043
Emerging Market International Equity	N/A	N/A		14,869
U.S. Fixed Income	N/A	N/A		74,347
Real Estate	N/A	N/A		37,173
Short-term Securities	N/A	N/A		3,716
NAV - Private Equity and Strategic Lending	N/A	N/A		74,347
Total			$	371,732

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 Tennessee Department of Treasury website.

B. Capital Assets

Capital assets activity for the year ended June 30, 2025, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-24	Increases	Balance 6-30-25
Capital Assets Not Depreciated:			
Land	$ 1,779,446	$ 0	$ 1,779,446
Construction in Progress	36,625	111,969	148,594
Total Capital Assets Not Depreciated	$ 1,816,071	$ 111,969	$ 1,928,040
Capital Assets Depreciated:			
Buildings and Improvements	$ 13,772,477	$ 101,390	$ 13,873,867
Infrastructure	13,042,431	0	13,042,431
Other Capital Assets	8,062,486	737,423	8,799,909
Total Capital Assets Depreciated	$ 34,877,394	$ 838,813	$ 35,716,207
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 5,527,699	$ 329,351	$ 5,857,050
Infrastructure	11,096,859	79,810	11,176,669
Other Capital Assets	5,791,620	511,870	6,303,490
Total Accumulated Depreciation	$ 22,416,178	$ 921,031	$ 23,337,209
Total Capital Assets Depreciated, Net	$ 12,461,216	$ (82,218)	$ 12,378,998
Governmental Activities Capital Assets, Net	$ 14,277,287	$ 29,751	$ 14,307,038

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

Governmental Activities:

General Government	$ 111,411
Finance	860
Administration of Justice	75,973
Public Safety	163,798
Public Health and Welfare	272,780
Social, Cultural, and Recreational Services	64,252
Highway/Public Works	231,957
Total Depreciation Expense - Governmental Activities	$ 921,031

Net Investment in Capital Assets

Capital Assets	$	14,307,038
Add:		
Unamortized balance of capital-related deferred outflows of resources		7,252
Less:		
Outstanding principal of capital debt and other capital borrowings		(2,118,000)
Capital related contracts payable		(140,856)
Unamortized balance of original issue premiums on outstanding capital-related debt		(155,206)
Net Investment in Capital Assets	$	11,900,228

Discretely Presented Grainger County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	$ 1,442,547	$ 36,025	$ 0	$ 1,478,572
Construction in Progress	2,210,697	92,553	(2,262,575)	40,675
Total Capital Assets Not Depreciated	$ 3,653,244	$ 128,578	$ (2,262,575)	$ 1,519,247
Capital Assets Depreciated:				
Buildings and Improvements	$ 49,723,166	$ 2,854,464	$ (108,477)	$ 52,469,153
Other Capital Assets	6,915,503	1,081,600	(38,000)	7,959,103
Total Capital Assets Depreciated	$ 56,638,669	$ 3,936,064	$ (146,477)	$ 60,428,256
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 21,104,353	$ 1,162,240	$ (108,477)	$ 22,158,116
Other Capital Assets	4,076,883	488,469	(27,999)	4,537,353
Total Accumulated Depreciation	$ 25,181,236	$ 1,650,709	$ (136,476)	$ 26,695,469
Total Capital Assets Depreciated, Net	$ 31,457,433	$ 2,285,355	$ (10,001)	$ 33,732,787
Governmental Activities Capital Assets, Net	$ 35,110,677	$ 2,413,933	$ (2,272,576)	$ 35,252,034

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

Governmental Activities:

Instruction	$	1,229,779
Support Services		350,069
Operation of Non-instructional Services		70,861
Total Depreciation Expense - Governmental Activities	$	1,650,709

C. *Construction Commitments*

On June 30, 2025, the General Fund had uncompleted construction contracts of approximately $490,520 for health department renovations. Funding has been received for these future expenditures.

D. *Interfund Receivables, Payables, and Transfers*

The composition of interfund balances as of June 30, 2025, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 46,628
"	General Debt Service	1,871
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	1,839

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2025, consisted of the following amounts:

Primary Government

	Transfers In		
Transfers Out	General Fund	Nonmajor governmental funds	Purpose
General Fund	$ 0	$ 142,421	Return of prior year ARPA funding
Nonmajor governmental funds	71,777	0	Revenue replacement from ARPA funding
"	4,113	0	Payroll benefits
Total	$ 75,890	$ 142,421	

Discretely Presented Grainger County School Department

Transfer Out	Transfer In General Purpose School Fund	Purpose
School Federal Projects Fund	$ 400,000	Return of cash flow
Total	$ 400,000	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General and General Purpose School funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Grainger County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Grainger County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2025, for governmental activities were as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-25
General Obligation Bonds - Refunding	1 to 5 %	4-1-32	$ 16,285,000	$ 8,925,000
Direct Borrowing and Direct Placement:				
Other Loans- Energy Efficient Schools Initiative	1.5	10-1-31	1,350,845	734,576

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2025, including interest payments, are presented in the following tables.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	$ 1,555,000	$ 270,450	$ 1,825,450
2027	1,600,000	202,100	1,802,100
2028	1,640,000	154,100	1,794,100
2029	1,615,000	104,900	1,719,900
2030	1,655,000	61,650	1,716,650
2031-2032	860,000	25,900	885,900
Total	$ 8,925,000	$ 819,100	$ 9,744,100

Year Ending June 30	Other Loans - Direct Placement		
	Principal	Interest	Total
2026	$ 112,692	$ 10,380	$ 123,072
2027	114,396	8,676	123,072
2028	116,124	6,948	123,072
2029	117,876	5,196	123,072
2030	119,664	3,408	123,072
2031-2032	153,824	1,711	155,535
Total	$ 734,576	$ 36,319	$ 770,895

There is $4,897,798 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $379, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled $436 based on the 2020 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government. During the year, the discretely presented school department contributed $823,072 to the primary government to apply toward the retirement of school-related debt.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2024	$ 10,450,000	$ 845,600
Reductions	(1,525,000)	(111,024)
Balance, June 30, 2025	$ 8,925,000	$ 734,576
Balance Due Within One Year	$ 1,555,000	$ 112,692

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities- Debt, June 30, 2025	$	9,659,576
Less: Balance Due Within One Year - Debt		(1,667,692)
Add: Unamortized Premium on Debt		596,505
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	$	8,588,389

F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ending June 30, 2025, was as follows:

Governmental Activities:

	Compensated Absences*	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2024	$ 224,719	$ 502,001
Reductions	(40,670)	(61,388)
Balance, June 30, 2025	$ 184,049	$ 440,613
Balance Due Within One Year	$ 169,538	$ 73,436

*Restated beginning balance - see Note I.D.9. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	$	624,662
Less: Balance Due Within One Year - Other		(242,974)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	381,688

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

Discretely Presented Grainger County School Department

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

Governmental Activities:	Retirement Honorarium	Retirement Incentive
Balance, July 1, 2024	$ 342,400	$ 60,000
Additions	82,400	0
Reductions	(33,600)	(5,000)
Balance, June 30, 2025	$ 391,200	$ 55,000
Balance Due Within One Year	$ 30,200	$ 55,000

	Compensated Absences*	Other Postemployment Benefits
Balance, July 1, 2024	$ 192,141	$ 7,010,139
Additions	0	731,407
Reductions	(24,340)	(285,806)
Balance, June 30, 2025	$ 167,801	$ 7,455,740
Balance Due Within One Year	$ 167,801	$ 215,871

* Restated beginning balance - see Note I.D.9. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	$ 8,069,741
Less: Balance Due Within One Year - Other	(468,872)
Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	$ 7,600,869

Retirement incentives and honorariums will be paid from the General Purpose School Fund. Compensated absences and other postemployment benefits will be paid from the employing funds (General Purpose School, School Federal Projects, and Central Cafeteria funds).

G. On-Behalf Payments

Discretely Presented Grainger County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Grainger County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan ended June 30, 2025, were $147,839. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Grainger County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the Solid Waste/Sanitation Fund. These notes were necessary because funds were not

available to meet expenditures coming due before current tax collections. Short-term debt activity for the year ended June 30, 2025, was as follows:

Fund	Balance 7-1-24	Issued	Paid	Balance 6-30-25
Solid Waste/Sanitation	$ 0	$ 250,000	$ (250,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding $250,000 for property and $450,000 for liability for each insured event.

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

The county provides commercial health insurance coverage for its active employees. Retirees are not eligible to participate in the county's health plan. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Discretely Presented Grainger County School Department

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

The discretely presented Grainger 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, *Tennessee Code Annotated* (*TCA*), all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. *Accounting Changes*

GASB Statement No. 101, *Compensated Absences,* became effective for the fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures,* became effective for the fiscal year ending June 30, 2025. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

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.

Grainger County is involved in a lawsuit regarding construction of baseball fields. The county terminated the contractor over claims of faulty construction, delays, and breach of contract. The contractor filed suit against the county and the project architect for damages related to construction services performed. Damages claimed against the county amount to $384,537 plus attorney fees. The county has filed a countersuit against the contractor for damages as a result of the breach of contract. The county's claims for damages are for amounts not to exceed $500,000 plus attorney fees. The county insurance carrier has denied coverage regarding these claims.

The county is involved in several other pending lawsuits. Based on information from attorneys, management estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statement.

D. *Landfill Postclosure Care Costs*

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Grainger County closed its sanitary landfill in 2002. The $440,613 reported as postclosure care liability on June 30, 2025, represents amounts based on what it would cost to perform all postclosure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. *Joint Venture*

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District; Grainger, Jefferson, Sevier, and Cocke 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 participating law enforcement agencies within each judicial district. Grainger County made no contributions to the DTF for the year ended June 30, 2025, and does not have any equity interest in this joint venture.

Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

District Attorney General
Fourth Judicial District
125 Court Avenue, Suite 301
Sevierville, TN 37862

F. Jointly Governed Organization

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center and to further the economy and growth of the region served by developing, marketing, and promoting facilities for warehousing, distribution, light manufacturing, and agribusiness purposes. The authority is governed by a board of directors consisting of the county mayors/executives of each county or the county mayor's/executive's designee and one nonvoting member representing the Tennessee Department of Agriculture and the University of Tennessee's Agricultural Extension Service. An executive committee, consisting of the chairman, vice chairman, secretary, and treasurer of the board of directors, along with the center manager as an ex-officio member, is in charge of daily operations of the center.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Grainger County and non-certified employees of the discretely presented Grainger 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 57.83 percent, the non-certified employees of the discretely presented school department comprise 42.17 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 Tennessee Department of Treasury website.

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, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	199
Inactive Employees Entitled to But Not Yet Receiving Benefits	450
Active Employees	325
Total	974

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. Grainger County elected to make employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contribution for Grainger County was $738,992 based on a rate of six percent of covered payroll. The minimum rate established by the Board of Trustees was 4.53 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Grainger 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)

Grainger County's net pension liability (asset) was measured as of June 30, 2024, and the total pension liability 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, 2024, 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, 2024, 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 Grainger County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation

in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	$ 38,603,580	$ 40,948,798	$ (2,345,218)
Changes for the Year:			
Service Cost	$ 1,109,313	$ 0	$ 1,109,313
Interest	2,627,181	0	2,627,181
Differences Between Expected and Actual Experience	277,581	0	277,581
Contributions-Employer	0	1,104,454	(1,104,454)
Contributions-Employees	0	567,066	(567,066)
Net Investment Income	0	3,999,991	(3,999,991)
Benefit Payments, Including Refunds of Employee Contributions	(1,583,378)	(1,583,378)	0
Administrative Expense	0	(38,448)	38,448
Net Changes	$ 2,430,697	$ 4,049,685	$ (1,618,988)
Balance, June 30, 2024	$ 41,034,277	$ 44,998,483	$ (3,964,206)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	57.83%	$ 23,730,122	$ 26,022,623	$ (2,292,500)
School Department	42.17%	17,304,155	18,975,860	(1,671,706)
Total		$ 41,034,277	$ 44,998,483	$ (3,964,206)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Grainger County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

Grainger County	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 1,879,748	$ (3,964,206)	$ (8,735,508)

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, 2025, Grainger County recognized pension expense (negative pension expense) of $685,625.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, Grainger 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	$ 1,214,395	$ 97,714
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	468,076
Changes in Assumptions	924,045	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	738,992	N/A
Total	$ 2,877,432	$ 565,790

(1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2024," will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

(2)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 1,668,956	$ 327,196
School Department	1,208,476	238,594
Total	$ 2,877,432	$ 565,790

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
2026	$ 191,342
2027	1,451,286
2028	121,357
2029	(191,338)
2030	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, 2025, Grainger County reported a payable of $213,916 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2025.

Discretely Presented Grainger County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Grainger County and non-certified employees of the discretely presented Grainger 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 57.83 percent and the non-certified employees of the discretely presented school department comprise 42.17 percent of the plan based on contribution data.

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

General Information About the Pension Plan

Plan Description. Teachers of the Grainger 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 Tennessee Department of Treasury website.

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, 2025, to the Teacher Retirement Plan were $137,730 which is three percent of covered payroll. In addition, employer contributions of $42,544, which is one percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2025, the school department reported a liability (asset) of ($122,071) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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 share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2024, the school department's proportion was 0.171302 percent. The measured proportion as of June 30, 2023, was 0.166697 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense of $100,994.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, 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	$ 10,084	$ 37,504
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	20,592
Changes in Assumptions	48,509	0
Changes in Proportion of Net Pension Liability (Asset)	2,810	10,937
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	137,730	N/A
Total	$ 199,133	$ 69,033

The school department's employer contributions of $137,730, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2026. 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
2026	$ (12,933)
2027	15,556
2028	(8,598)
2029	(8,485)
2030	1,550
Thereafter	5,280

Actuarial Assumptions. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to reflect more closely actual and expected future experience.

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

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 321,941	$ (122,071)	$ (452,509)

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, 2025, Grainger County reported a payable of $70,172 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2025.

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

General Information About the Pension Plan

Plan Description. Teachers of the Grainger 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 Tennessee Department of Treasury website.

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 Grainger County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were $760,900 which is 6.36 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, 2025, the school department reported a liability (asset) of ($6,011,839) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024, the school department's proportion was 0.348945 percent. The proportion measured on June 30, 2023, was 0.368193 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of $1,425,822.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 1,603,198	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,170,862
Changes in Proportion of Net Pension Liability (Asset)	384,524	21,585
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	760,900	N/A
Total	$ 2,748,622	$ 1,192,447

The school department's employer contributions of $760,900 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, 2026. 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
2026	$ (501,750)
2027	2,524,366
2028	(610,874)
2029	(616,466)
2030	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2024, 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 reflect more closely actual and expected future experience.

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

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

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 7,637,118	$ (6,011,839)	$ (17,331,786)

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, 2025, Grainger County reported a payable of $387,671 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2025.

2. Deferred Compensation

Primary Government

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

Discretely Presented Grainger County School Department

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. Some employees have elected to contribute amounts in addition to the two percent minimum requirement. During the year, the school department contributed $231,825 and teachers contributed $129,492 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Grainger County primary government does not offer postemployment benefits to its retirees. The discretely presented Grainger County School Department provides OPEB benefits to its retirees through a state administered public entity risk pool. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The school department provides healthcare benefits to its employees under the closed Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Grainger 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 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

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

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	3.93%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.68% for pre-65 retirees in the 2024 calendar year, and decreasing annually over a 13-year period to an ultimate trend of 4.5%
Retirees Share of Benefit Related Cost	Discussed under Benefits Provided

The discount rate was 3.93%, 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, 2024, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 2022, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to reflect more closely actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.68 percent as of the beginning of the measurement period to 3.93 percent as of the measurement date of June 30, 2024. 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 2024 plan year was revised from 10.31 percent to 10.68 percent.

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

Plan Description. Employees of the Grainger 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 Grainger County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA* 8-27-301 establishes and amends the benefit terms of the LEP. All

members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Grainger County School Department provides a direct subsidy toward pre-65 retirees insurance premiums. The maximum subsidy is $357 per month for certified retirees and $457 for non-certified retirees. Benefit amounts vary based on certification status, years of service under TCRS, years of service for Grainger County School Department, age, and coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

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

Inactive Employees Currently Receiving Benefits	26
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	272
Total	298

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 $215,871 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Grainger County School Department 66.206%	State of TN 33.794%	Total OPEB Liability
Balance July 1, 2023	$ 7,010,139	$ 3,532,360	$ 10,542,499
Changes for the Year:			
Service Cost	$ 271,460	$ 138,561	$ 410,021
Interest	260,038	132,733	392,771
Difference between Expected and Actuarial Experience	88,774	45,314	134,088
Changes in Proportion	(30,373)	30,373	0
Changes in Assumption	111,799	57,066	168,865
Benefit Payments	(256,096)	(130,721)	(386,817)
Net Changes	$ 445,601	$ 273,327	$ 718,928
Balance June 30, 2024	$ 7,455,740	$ 3,805,687	$ 11,261,427

The Grainger 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 Grainger 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 $327,873 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Grainger County School Department's proportionate share of the collective OPEB liability was 66.206% and the State of Tennessee's share was 33.794%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department recognized OPEB expense of $697,635, which includes expenses funded by subsidies provided by the state. On June 30, 2025, 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	$ 414,273	$ 393,208
Changes in Proportion	44,906	484,199
Changes of Assumptions	785,349	718,886
Benefits Paid After the Measurement Date of June 30, 2024	215,871	0
Total	$ 1,460,399	$ 1,596,293

The amount shown above for "Benefits Paid After the Measurement Date" will be recognized as a reduction to OPEB liability in the following fiscal 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
2026	$ (161,735)
2027	(155,647)
2028	(116,514)
2029	18,644
2030	(2,405)
Thereafter	65,892

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.

Discount Rate	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Proportionate Share of the Collective Total OPEB Liability	$ 7,992,341	$ 7,455,740	$ 6,944,821

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.

Healthcare Cost Trend Rate	1% Decrease 9.68 to 3.5%	Current Trend Rate 10.68 to 4.5%	1% Increase 11.68% to 5.5%
Proportionate Share of the Collective Total OPEB Liability	$ 6,755,288	$ 7,455,740	$ 8,256,274

I. Termination Benefits

The discretely presented school department has entered into a retirement incentive bonus payment plan in accordance with contract provisions. This plan is available to all certified teachers who retire from the school department with at least ten years of service in Grainger County and are between the ages of 55 and 60 or have a minimum of 30 years of credited service in the Tennessee Consolidated Retirement System. The plan provides teachers who have met the noted requirements a bonus of $5,000 paid in one lump sum. During the year, expenditures of $5,000 were recognized for retirement incentive bonus payments. On June 30, 2025, there were eleven individuals participating in the program. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is $55,000. The entire amount is due within one year.

In addition to the previously mentioned retirement incentive, the discretely presented school department offers an additional retirement honorarium payment. To be eligible, certified employees must retire with at least ten years of service with the school department. Under the terms of the plan, employees with 30 or more years of experience at the end of the 2005-06 school year shall receive $100 for each school year of service with the school department up to a maximum of $4,000. Employees with less than 30 years of experience at the end of the 2005-06 school year shall receive $100 for each school year of service in the school department up to a maximum of $3,000. As of June 30, 2025, 193 employees met the requirements of this benefit. The estimated cost of these cash payments reported in the government-wide Statement of Net Position is $391,200 Of that amount, $30,200 is due within one year. The governmental funds' financial statements reflect retirement honorarium expenditures of $33,600 in the General Purpose School Fund.

In addition to the above incentives the Grainger County Board of Education has adopted policies allowing certified and noncertified employees to receive payment for unused sick leave at retirement. Certified employees who meet all service guidelines will receive $130 per unused sick day accumulated at the time of retirement. Noncertified employees who meet all guidelines receive $60 per unused sick day accumulated at the time of retirement. Four retirees qualified to receive this benefit in 2024-2025 and were paid a total of $39,330.

J. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated* (*TCA*). This act provides for purchases exceeding $10,000 (excluding emergency purchases) to be made after public advertisement and solicitation of competitive bids.

Office of Road Superintendent

Chapter 232, Private Acts of 1980, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, govern purchasing procedures for this office. These statutes provide for purchases exceeding $25,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

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

K. Subsequent Event

On July 14, 2025, Grainger County issued a $250,000 interfund loan in the form of a tax anticipation note for the Solid Waste/Sanitation Fund.

Required Supplementary Information Section

GRAINGER 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	$ 598,290	$ 652,242	$ 709,108	$ 734,296	$ 796,334	$ 826,826	$ 852,686	$ 1,019,377	$ 1,134,145	$ 1,109,313
Interest	1,441,288	1,543,903	1,642,729	1,747,044	1,901,258	1,980,373	2,054,197	2,233,021	2,449,501	2,627,181
Differences Between Actual and Expected Experience	165,117	30,282	288,643	629,493	(503,590)	(586,284)	182,125	0	571,780	277,581
Changes in Assumptions	0	0	537,767	0	0	0	2,772,141	1,177,105	0	0
Benefit Payments, Including Refunds of Employee Contributions	(884,769)	(896,132)	(1,035,094)	(983,569)	(1,107,989)	(1,158,530)	(1,298,488)	(1,261,110)	(1,413,210)	(1,583,378)
Net Change in Total Pension Liability	$ 1,319,926	$ 1,330,295	$ 2,143,153	$ 2,127,264	$ 1,086,013	$ 1,062,385	$ 4,562,661	$ 3,168,393	$ 2,742,216	$ 2,430,697
Total Pension Liability, Beginning	19,061,274	20,381,200	21,711,495	23,854,648	25,981,912	27,067,925	28,130,310	32,692,971	35,861,364	38,603,580
Total Pension Liability, Ending (a)	$ 20,381,200	$ 21,711,495	$ 23,854,648	$ 25,981,912	$ 27,067,925	$ 28,130,310	$ 32,692,971	$ 35,861,364	$ 38,603,580	$ 41,034,277
Plan Fiduciary Net Position										
Contributions - Employer	$ 720,013	$ 777,617	$ 787,980	$ 837,405	$ 869,040	$ 916,961	$ 943,903	$ 1,029,884	$ 1,059,998	$ 1,104,454
Contributions - Employee	364,428	391,895	403,681	430,319	447,538	470,356	483,557	529,394	543,034	567,066
Net Investment Income	640,417	574,352	2,541,156	2,088,734	2,045,490	1,473,542	8,082,732	(1,514,877)	2,574,175	3,999,991
Benefit Payments, Including Refunds of Employee Contributions	(884,769)	(896,132)	(1,035,094)	(983,569)	(1,107,989)	(1,158,530)	(1,298,488)	(1,261,110)	(1,413,210)	(1,583,378)
Administrative Expense	(14,819)	(22,488)	(25,138)	(28,469)	(26,889)	(27,747)	(28,646)	(31,907)	(31,671)	(38,448)
Other	0	8,584	11,749	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	$ 825,270	$ 833,828	$ 2,684,334	$ 2,344,420	$ 2,227,190	$ 1,674,582	$ 8,183,058	$ (1,248,616)	$ 2,732,326	$ 4,049,685
Plan Fiduciary Net Position, Beginning	20,692,406	21,517,676	22,351,504	25,035,838	27,380,258	29,607,448	31,282,030	39,465,088	38,216,472	40,948,798
Plan Fiduciary Net Position, Ending (b)	$ 21,517,676	$ 22,351,504	$ 25,035,838	$ 27,380,258	$ 29,607,448	$ 31,282,030	$ 39,465,088	$ 38,216,472	$ 40,948,798	$ 44,998,483
Net Pension Liability (Asset), Ending (a - b)	$ (1,136,476)	$ (640,009)	$ (1,181,190)	$ (1,398,346)	$ (2,539,523)	$ (3,151,720)	$ (6,772,117)	$ (2,355,108)	$ (2,345,218)	$ (3,964,206)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.58%	102.95%	104.95%	105.38%	109.38%	111.20%	120.71%	106.57%	106.08%	109.66%
Covered Payroll	$ 7,377,182	$ 8,005,131	$ 8,073,545	$ 8,579,973	$ 8,904,102	$ 9,395,090	$ 9,671,132	$ 10,556,633	$ 10,860,632	$ 11,290,439
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(15.41)%	(7.99)%	(14.63)%	(16.30)%	(28.52)%	(33.55)%	(70.02)%	(22.31)%	(21.59)%	(35.11%)

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.

GRAINGER 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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 777,617	$ 338,282	$ 374,945	$ 389,109	$ 424,658	$ 437,136	$ 476,955	$ 491,987	$ 512,474	$ 557,938
Less: Contributions in Relation to the Actuarially Determined Contribution	(777,617)	(787,980)	(837,405)	(869,040)	(916,961)	(943,903)	(1,029,884)	(1,059,998)	(1,104,138)	(738,992)
Contribution Deficiency (Excess)	$ 0	$ (449,698)	$ (462,460)	$ (479,931)	$ (492,303)	$ (506,767)	$ (552,929)	$ (568,011)	$ (591,664)	$ (181,054)
Covered Payroll	$ 8,005,131	$ 8,073,545	$ 8,579,973	$ 8,904,102	$ 9,395,090	$ 9,671,132	$ 10,556,633	$ 10,860,632	$ 11,290,439	$ 12,316,511
Contributions as a Percentage of Covered Payroll	9.71%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.76%	9.78%	6.00%

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 22,060	$ 43,287	$ 55,157	$ 33,315	$ 41,329	$ 45,593	$ 56,576	$ 95,160	$ 118,712	$ 137,730
Less: Contributions in Relation to the Contractually Required Contribution	(22,060)	(43,287)	(55,157)	(33,315)	(41,329)	(45,593)	(56,576)	(95,160)	(118,712)	(137,730)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 551,494	$ 1,086,370	$ 1,378,913	$ 1,717,231	$ 2,035,915	$ 2,257,083	$ 2,814,696	$ 3,315,691	$ 4,024,135	$ 4,556,941
Contributions as a Percentage of Covered Payroll	4.00%	3.98%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%	3.02%

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.
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%
2025: Pension - 3.00%, SRT - 1.00%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 1,065,451	$ 1,098,942	$ 1,075,901	$ 1,218,806	$ 1,233,899	$ 1,266,938	$ 1,291,446	$ 1,038,285	$ 786,883	$ 760,900
Less: Contributions in Relation to the Contractually Required Contribution	(1,065,451)	(1,098,942)	(1,075,901)	(1,218,806)	(1,233,899)	(1,266,938)	(1,291,446)	(1,038,285)	(786,883)	(760,900)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 11,785,973	$ 12,152,255	$ 11,849,126	$ 11,652,060	$ 11,607,716	$ 12,387,155	$ 12,538,294	$ 11,948,033	$ 11,554,805	$ 11,963,820
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.08%	10.46%	10.63%	10.23%	10.30%	8.69%	6.81%	6.36%

GRAINGER COUNTY, TENNESSEE
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Plan of TCRS
Discretely Presented Grainger County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.118612%	0.125338%	0.164882%	0.157793%	0.162280%	0.161334%	0.156393%	0.164825%	0.166697%	0.171302%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (4,772)	$ (13,048)	$ (43,501)	$ (71,563)	$ (91,605)	$ (91,741)	$ (169,407)	$ (49,930)	$ (70,685)	$ (122,071)
Covered Payroll	$ 246,445	$ 551,494	$ 1,086,370	$ 1,378,913	$ 1,717,231	$ 2,035,915	$ 2,257,083	$ 2,814,696	$ 3,315,691	$ 4,024,135
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.00)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%	(2.13)%	(3.03%)
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%	106.49%

GRAINGER COUNTY, TENNESSEE
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Grainger County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.318790%	0.326499%	0.343893%	0.338385%	0.347497%	0.380995%	0.375858%	0.380995%	0.368193%	0.348945%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ 130,587	$ 2,040,438	$ (112,515)	$ (1,190,747)	$ (3,572,892)	$ (4,672,543)	$ (16,211,656)	$ (4,672,543)	$ (4,340,903)	$ (6,011,839)
Covered Payroll	$ 11,933,926	$ 11,785,973	$ 12,152,255	$ 11,849,127	$ 11,652,060	$ 12,538,294	$ 12,387,155	$ 12,538,294	$ 11,948,033	$ 11,554,805
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.09%	17.31%	(.93)%	(10.05)%	(30.66)%	(37.27)%	(130.87)%	(37.27)%	(36.33)%	(52.03%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.81%	97.14%	100.14%	101.49%	104.28%	104.42%	116.13%	104.42%	104.11%	105.76%

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

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	$ 494,077	$ 454,344	$ 460,474	$ 312,063	$ 440,823	$ 476,893	$ 371,902	$ 410,021
Interest	288,399	348,900	364,296	288,054	211,095	207,669	334,833	392,771
Changes of Benefit Terms	0	0	0	61,829	23,875	0	0	0
Differences Between Actual and Expected Experience	0	(366,480)	(1,491,004)	8,407	160,269	509,395	141,305	134,088
Changes in Assumptions or Other Inputs	(450,554)	239,879	(607,686)	942,420	(456,054)	(903,810)	784,135	168,865
Benefit Payments	(343,401)	(393,213)	(450,625)	(417,782)	(373,462)	(333,458)	(349,606)	(386,817)
Net Change in Total OPEB Liability	$ (11,479)	$ 283,430	$ (1,724,545)	$ 1,194,991	$ 6,546	$ (43,311)	$ 1,282,569	$ 718,928
Total OPEB Liability, Beginning	9,554,298	9,542,819	9,826,249	8,101,704	9,296,695	9,303,241	9,259,930	10,542,499
Total OPEB Liability, Ending	$ 9,542,819	$ 9,826,249	$ 8,101,704	$ 9,296,695	$ 9,303,241	$ 9,259,930	$ 10,542,499	$ 11,261,427
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 2,576,819	$ 2,683,558	$ 2,351,787	$ 2,592,514	$ 2,753,128	$ 2,950,067	$ 3,532,360	$ 3,805,687
Employer Proportionate Share of the Total OPEB Liability	6,966,000	7,142,691	5,749,917	6,704,181	6,550,113	6,309,863	7,010,139	7,455,740
Covered Employee Payroll	$ 15,936,207	$ 16,202,533	$ 16,412,779	$ 17,035,730	$ 19,151,763	$ 18,711,815	$ 18,207,598	$ 19,416,302
Net OPEB Liability as a Percentage of Covered Employee Payroll	43.71%	44.08%	35.03%	39.35%	34.20%	33.72%	38.50%	38.40%

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 %
2024	3.93 %

(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%
For the 2025 plan year - from 10.31% to 10.68%

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2025 were calculated based on the June 30, 2023, 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 Fair Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

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

Combining and Individual Fund Financial Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county's law library.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions of the parks and recreation department.

Other General Government Fund – The Other General Government Fund is used to account for financial resources and expenditures relating to the American Rescue Plan Act.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for opioid settlement funds.

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.

GRAINGER COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Drug Control	Sports and Recreation	Other General Government Fund
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 0	$ 0
Equity in Pooled Cash and Investments	25,430	11,412	59,338	214,904	552,089
Accounts Receivable	0	0	76	0	11
Property Taxes Receivable	0	0	0	186,958	0
Allowance for Uncollectible Property Taxes	0	0	0	(3,774)	0
Total Assets	$ 25,430	$ 11,412	$ 59,414	$ 398,088	$ 552,100
LIABILITIES					
Accounts Payable	$ 0	$ 0	$ 0	$ 635	$ 0
Accrued Payroll	0	0	0	1,584	0
Payroll Deductions Payable	0	0	0	782	0
Contracts Payable	0	0	0	140,856	0
Due to Other Funds	10,000	0	0	0	0
Due to State of Tennessee	0	0	0	6	0
Total Liabilities	$ 10,000	$ 0	$ 0	$ 143,863	$ 0

(Continued)

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Drug Control	Sports and Recreation	Other General Government Fund
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 0	$ 0	$ 0	$ 178,585	$ 0
Deferred Delinquent Property Taxes	0	0	0	3,527	0
Total Deferred Inflows of Resources	$ 0	$ 0	$ 0	$ 182,112	$ 0
FUND BALANCES					
Restricted:					
Restricted for Finance	$ 0	$ 0	$ 0	$ 0	$ 0
Restricted for Administration of Justice	15,430	11,412	0	0	0
Restricted for Public Safety	0	0	59,414	0	0
Restricted for Public Health and Welfare	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	72,113	0
Committed:					
Committed for Other Purposes	0	0	0	0	552,100
Total Fund Balances	$ 15,430	$ 11,412	$ 59,414	$ 72,113	$ 552,100
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 25,430	$ 11,412	$ 59,414	$ 398,088	$ 552,100

(Continued)

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

	Special Revenue Funds (Cont.)		
	Other Special Revenue	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 55,910	$ 55,910
Equity in Pooled Cash and Investments	220,926	0	1,084,099
Accounts Receivable	0	33,028	33,115
Property Taxes Receivable	0	0	186,958
Allowance for Uncollectible Property Taxes	0	0	(3,774)
Total Assets	$ 220,926	$ 88,938	$ 1,356,308
LIABILITIES			
Accounts Payable	$ 0	$ 0	$ 635
Accrued Payroll	0	0	1,584
Payroll Deductions Payable	0	0	782
Contracts Payable	0	0	140,856
Due to Other Funds	0	36,628	46,628
Due to State of Tennessee	0	0	6
Total Liabilities	$ 0	$ 36,628	$ 190,491

(Continued)

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

	Special Revenue Funds (Cont.)		
	Other Special Revenue	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 0	$ 0	$ 178,585
Deferred Delinquent Property Taxes	0	0	3,527
Total Deferred Inflows of Resources	$ 0	$ 0	$ 182,112
FUND BALANCES			
Restricted:			
Restricted for Finance	$ 0	$ 52,310	$ 52,310
Restricted for Administration of Justice	0	0	26,842
Restricted for Public Safety	0	0	59,414
Restricted for Public Health and Welfare	220,926	0	220,926
Restricted for Social, Cultural, and Recreational Services	0	0	72,113
Committed:			
Committed for Other Purposes	0	0	552,100
Total Fund Balances	$ 220,926	$ 52,310	$ 983,705
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 220,926	$ 88,938	$ 1,356,308

GRAINGER COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Drug Control	Sports and Recreation	*Formerly Major* Other General Government Fund
Revenues					
Local Taxes	$ 2,163	$ 1,336	$ 0	$ 184,255	$ 0
Fines, Forfeitures, and Penalties	0	0	6,573	507	0
Charges for Current Services	0	0	0	25,434	0
Other Local Revenues	0	0	531	17,904	0
State of Tennessee	0	0	0	61,186	0
Total Revenues	$ 2,163	$ 1,336	$ 7,104	$ 289,286	$ 0
Expenditures					
Current:					
General Government	$ 6,302	$ 0	$ 0	$ 0	$ 0
Finance	0	0	0	0	0
Administration of Justice	0	0	0	0	0
Public Safety	0	0	1,064	0	0
Public Health and Welfare	0	0	0	0	0
Social, Cultural, and Recreational Services	0	13	0	250,176	0
Other Operations	0	0	0	0	455,975
Total Expenditures	$ 6,302	$ 13	$ 1,064	$ 250,176	$ 455,975

(Continued)

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Drug Control	Sports and Recreation	*Formerly Major* Other General Government Fund
Excess (Deficiency) of Revenues Over Expenditures	$ (4,139)	$ 1,323	$ 6,040	$ 39,110	$ (455,975)
Other Financing Sources (Uses)					
Transfers In	$ 0	$ 0	$ 0	$ 0	$ 142,421
Transfers Out	0	0	0	(4,113)	(71,777)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 0	$ (4,113)	$ 70,644
Net Change in Fund Balances	$ (4,139)	$ 1,323	$ 6,040	$ 34,997	$ (385,331)
Change to or Within the Reporting Entity	0	0	0	0	937,431
Fund Balance, July 1, 2024	19,569	10,089	53,374	37,116	0
Fund Balance, June 30, 2025	$ 15,430	$ 11,412	$ 59,414	$ 72,113	$ 552,100

(Continued)

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

	Special Revenue Funds (Cont.)		
	Other Special Revenue	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Revenues			
Local Taxes	$ 0	$ 0	$ 187,754
Fines, Forfeitures, and Penalties	0	0	7,080
Charges for Current Services	0	269,060	294,494
Other Local Revenues	9,188	0	27,623
State of Tennessee	88,145	0	149,331
Total Revenues	$ 97,333	$ 269,060	$ 666,282
Expenditures			
Current:			
General Government	$ 0	$ 0	$ 6,302
Finance	0	229,203	229,203
Administration of Justice	0	32,010	32,010
Public Safety	0	0	1,064
Public Health and Welfare	100,595	0	100,595
Social, Cultural, and Recreational Services	0	0	250,189
Other Operations	0	0	455,975
Total Expenditures	$ 100,595	$ 261,213	$ 1,075,338

(Continued)

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

	Special Revenue Funds (Cont.)		
	Other Special Revenue	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ (3,262)	$ 7,847	$ (409,056)
Other Financing Sources (Uses)			
Transfers In	$ 0	$ 0	$ 142,421
Transfers Out	0	0	(75,890)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 66,531
Net Change in Fund Balances	$ (3,262)	$ 7,847	$ (342,525)
Change to or Within the Reporting Entity	0	0	937,431
Fund Balance, July 1, 2024	224,188	44,463	388,799
Fund Balance, June 30, 2025	$ 220,926	$ 52,310	$ 983,705

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	$ 2,163	$ 1,139	$ 1,139	$ 1,024
Total Revenues	$ 2,163	$ 1,139	$ 1,139	$ 1,024
Expenditures				
General Government				
County Buildings	$ 6,302	$ 9,013	$ 9,033	$ 2,731
Total Expenditures	$ 6,302	$ 9,013	$ 9,033	$ 2,731
Excess (Deficiency) of Revenues Over Expenditures	$ (4,139)	$ (7,874)	$ (7,894)	$ 3,755
Net Change in Fund Balance	$ (4,139)	$ (7,874)	$ (7,894)	$ 3,755
Fund Balance, July 1, 2024	19,569	19,587	19,587	(18)
Fund Balance, June 30, 2025	$ 15,430	$ 11,713	$ 11,693	$ 3,737

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	$ 1,336	$ 1,164	$ 1,164	$ 172
Total Revenues	$ 1,336	$ 1,164	$ 1,164	$ 172
Expenditures				
Social, Cultural, and Recreational Services				
Libraries	$ 13	$ 39	$ 39	$ 26
Total Expenditures	$ 13	$ 39	$ 39	$ 26
Excess (Deficiency) of Revenues Over Expenditures	$ 1,323	$ 1,125	$ 1,125	$ 198
Net Change in Fund Balance	$ 1,323	$ 1,125	$ 1,125	$ 198
Fund Balance, July 1, 2024	10,089	10,109	10,109	(20)
Fund Balance, June 30, 2025	$ 11,412	$ 11,234	$ 11,234	$ 178

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	$ 6,573	$ 7,000	$ 7,000	$ (427)
Other Local Revenues	531	0	0	531
Total Revenues	$ 7,104	$ 7,000	$ 7,000	$ 104
Expenditures				
Public Safety				
Drug Enforcement	$ 1,064	$ 18,250	$ 18,250	$ 17,186
Total Expenditures	$ 1,064	$ 18,250	$ 18,250	$ 17,186
Excess (Deficiency) of Revenues Over Expenditures	$ 6,040	$ (11,250)	$ (11,250)	$ 17,290
Net Change in Fund Balance	$ 6,040	$ (11,250)	$ (11,250)	$ 17,290
Fund Balance, July 1, 2024	53,374	55,677	55,677	(2,303)
Fund Balance, June 30, 2025	$ 59,414	$ 44,427	$ 44,427	$ 14,987

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual (Budgetary Basis) and Budget
Sports and Recreation Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	$ 184,255	$ 0	$ 184,255	$ 175,094	$ 175,094	$ 9,161
Fines, Forfeitures, and Penalties	507	0	507	564	564	(57)
Charges for Current Services	25,434	0	25,434	28,000	29,057	(3,623)
Other Local Revenues	17,904	0	17,904	13,020	26,530	(8,626)
State of Tennessee	61,186	0	61,186	16,846	69,046	(7,860)
Total Revenues	$ 289,286	$ 0	$ 289,286	$ 233,524	$ 300,291	$ (11,005)
Expenditures						
Social, Cultural, and Recreational Services						
Parks and Fair Boards	$ 250,176	$ 2,009	$ 252,185	$ 221,259	$ 284,713	$ 32,528
Total Expenditures	$ 250,176	$ 2,009	$ 252,185	$ 221,259	$ 284,713	$ 32,528
Excess (Deficiency) of Revenues Over Expenditures	$ 39,110	$ (2,009)	$ 37,101	$ 12,265	$ 15,578	$ 21,523
Other Financing Sources (Uses)						
Transfers Out	$ (4,113)	$ 0	$ (4,113)	$ 0	$ (4,113)	$ 0
Total Other Financing Sources	$ (4,113)	$ 0	$ (4,113)	$ 0	$ (4,113)	$ 0
Net Change in Fund Balance	$ 34,997	$ (2,009)	$ 32,988	$ 12,265	$ 11,465	$ 21,523
Fund Balance, July 1, 2024	37,116	0	37,116	38,497	38,497	(1,381)
Fund Balance, June 30, 2025	$ 72,113	$ (2,009)	$ 70,104	$ 50,762	$ 49,962	$ 20,142

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual (Budgetary Basis) and Budget
Other General Government Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 6/30/2024	Add: Encumbrances 6/29/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Total Revenues	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Expenditures							
Other Operations							
American Rescue Plan Act Grant #1	$ 64,241	$ 0	$ 2,640	$ 66,881	$ 182,955	$ 182,955	$ 116,074
American Rescue Plan Act Grant #3	5,570	0	0	5,570	28,176	30,570	25,000
American Rescue Plan Act Grant #4	0	0	0	0	0	22,400	22,400
American Rescue Plan Act Grant #6	2,944	(2,944)	0	0	0	0	0
American Rescue Plan Act Grant #8	365,953	0	106	366,059	167,253	370,312	4,253
American Rescue Plan Act Grant #9	16,467	0	0	16,467	0	16,467	0
American Rescue Plan Act Grant #10	800	0	4,400	5,200	80,000	80,000	74,800
Total Expenditures	$ 455,975	$ (2,944)	$ 7,146	$ 460,177	$ 458,384	$ 702,704	$ 242,527
Excess (Deficiency) of Revenues Over Expenditures	$ (455,975)	$ 2,944	$ (7,146)	$ (460,177)	$ (458,384)	$ (702,704)	$ 242,527
Other Financing Sources (Uses)							
Transfers In	$ 142,421	$ 0	$ 0	$ 142,421	$ 0	$ 142,421	$ 0
Transfers Out	(71,777)	0	0	(71,777)	(57,495)	(71,777)	0
Total Other Financing Sources	$ 70,644	$ 0	$ 0	$ 70,644	$ (57,495)	$ 70,644	$ 0
Net Change in Fund Balance	$ (385,331)	$ 2,944	$ (7,146)	$ (389,533)	$ (515,879)	$ (632,060)	$ 242,527
Changes to or Within the Financial Reporting Entity	937,431	0	0	937,431	0	0	937,431
Fund Balance, July 1, 2024	0	(2,944)	0	(2,944)	933,536	933,536	(936,480)
Fund Balance, June 30, 2025	$ 552,100	$ 0	$ (7,146)	$ 544,954	$ 417,657	$ 301,476	$ 243,478

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	$ 9,188	$ 0	$ 0	$ 9,188
State of Tennessee	88,145	122,215	122,215	(34,070)
Total Revenues	$ 97,333	$ 122,215	$ 122,215	$ (24,882)
Expenditures				
Public Health and Welfare				
Alcohol and Drug Programs	$ 100,595	$ 0	$ 100,595	$ 0
Total Expenditures	$ 100,595	$ 0	$ 100,595	$ 0
Excess (Deficiency) of Revenues Over Expenditures	$ (3,262)	$ 122,215	$ 21,620	$ (24,882)
Net Change in Fund Balance	$ (3,262)	$ 122,215	$ 21,620	$ (24,882)
Fund Balance, July 1, 2024	224,188	223,868	223,868	320
Fund Balance, June 30, 2025	$ 220,926	$ 346,083	$ 245,488	$ (24,562)

MAJOR GOVERNMENTAL FUND

GENERAL DEBT SERVICE FUND

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

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	$ 1,244,029	$ 1,224,707	$ 1,224,707	$ 19,322
Fines, Forfeitures, and Penalties	1,329	1,126	1,126	203
Other Local Revenues	1,189,137	150,000	150,000	1,039,137
State of Tennessee	49,548	51,000	51,000	(1,452)
Other Governments and Citizens Groups	823,072	823,072	823,072	0
Total Revenues	$ 3,307,115	$ 2,249,905	$ 2,249,905	$ 1,057,210
Expenditures				
Principal on Debt				
General Government	$ 171,500	$ 171,500	$ 171,500	$ 0
Education	1,464,524	1,464,524	1,464,524	0
Interest on Debt				
General Government	70,958	70,958	70,958	0
Education	283,290	283,290	283,290	0
Other Debt Service				
General Government	33,638	39,637	44,637	10,999
Total Expenditures	$ 2,023,910	$ 2,029,909	$ 2,034,909	$ 10,999
Excess (Deficiency) of Revenues Over Expenditures	$ 1,283,205	$ 219,996	$ 214,996	$ 1,068,209
Net Change in Fund Balance	$ 1,283,205	$ 219,996	$ 214,996	$ 1,068,209
Fund Balance, July 1, 2024	3,614,593	3,399,897	3,399,897	214,696
Fund Balance, June 30, 2025	$ 4,897,798	$ 3,619,893	$ 3,614,893	$ 1,282,905

CUSTODIAL FUNDS

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

GRAINGER COUNTY, TENNESSEE
Combining Statement of Net Position - Custodial Funds
June 30, 2025

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
ASSETS			
Cash	$ 0	$ 776,733	$ 776,733
Due from Other Governments	291,032	0	291,032
Total Assets	$ 291,032	$ 776,733	$ 1,067,765
LIABILITIES			
Due to Other Taxing Units	$ 291,032	$ 0	$ 291,032
Total Liabilities	$ 291,032	$ 0	$ 291,032
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	$ 0	$ 776,733	$ 776,733
Total Net Position	$ 0	$ 776,733	$ 776,733

GRAINGER COUNTY, TENNESSEE
Combining Statement of Changes in Net Position - Custodial Funds
For the Year Ended June 30, 2025

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
Additions			
Sales Tax Collections for Other Governments	$ 1,725,795	$ 0	$ 1,725,795
Fines/Fees and Other Collections	0	5,628,107	5,628,107
Total Additions	$ 1,725,795	$ 5,628,107	$ 7,353,902
Deductions			
Payment of Sales Tax Collections for Other Governments	$ 1,725,795	$ 0	$ 1,725,795
Payments to State	0	3,794,233	3,794,233
Payments to Individuals and Others	0	2,167,573	2,167,573
Total Deductions	$ 1,725,795	$ 5,961,806	$ 7,687,601
Change in Net Position	$ 0	$ (333,699)	$ (333,699)
Net Position July 1, 2024	0	1,110,432	1,110,432
Net Position June 30, 2025	$ 0	$ 776,733	$ 776,733

GRAINGER COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

GRAINGER COUNTY, TENNESSEE
Statement of Activities
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:				
Instruction	$ 24,177,838	$ 0	$ 3,607,627	$ (20,570,211)
Support Services	13,574,185	0	956,780	(12,617,405)
Operation of Non-instructional Services	4,809,552	163,884	4,547,236	(98,432)
Total Governmental Activities	$ 42,561,575	$ 163,884	$ 9,111,643	$ (33,286,048)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 2,695,267
Local Option Sales Taxes				3,044,915
Business Tax				42,694
Grants and Contributions Not Restricted for Specific Programs				27,223,589
Unrestricted Investment Earnings				25,037
Miscellaneous				524,677
Total General Revenues				$ 33,556,179
Change in Net Position				$ 270,131
Net Position, July 1, 2024				53,295,040
Restatement - See Note I.D.9. - GASB Statement 47				2,156,802
Restatement - See Note I.D.9. - GASB Statement 101				(192,141)
Net Position, June 30, 2025				$ 55,529,832

GRAINGER COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
Discretely Presented Grainger County School Department
June 30, 2025

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Cash	$ 0	$ 1,297,414	$ 1,297,414
Equity in Pooled Cash and Investments	15,122,484	944,647	16,067,131
Accounts Receivable	8,616	2,844	11,460
Due from Other Governments	1,826,805	554,238	2,381,043
Due from Other Funds	0	1,839	1,839
Property Taxes Receivable	2,763,733	0	2,763,733
Allowance for Uncollectible Property Taxes	(55,799)	0	(55,799)
Restricted Assets	371,732	0	371,732
Total Assets	$ 20,037,571	$ 2,800,982	$ 22,838,553
LIABILITIES			
Accounts Payable	$ 531,007	$ 28	$ 531,035
Accrued Payroll	86,378	0	86,378
Payroll Deductions Payable	1,461,352	96,342	1,557,694
Due to Other Funds	1,839	0	1,839
Total Liabilities	$ 2,080,576	$ 96,370	$ 2,176,946
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 2,639,947	$ 0	$ 2,639,947
Deferred Delinquent Property Taxes	52,137	0	52,137
Other Deferred/Unavailable Revenue	268,143	0	268,143
Total Deferred Inflows of Resources	$ 2,960,227	$ 0	$ 2,960,227
FUND BALANCES			
Restricted:			
Restricted for Education	$ 730,978	$ 1,904,612	$ 2,635,590
Restricted for Capital Projects	21,966	0	21,966
Restricted for Hybrid Retirement Stabilization Funds	371,732	0	371,732
Committed:			
Committed for Education	0	800,000	800,000
Assigned:			
Assigned for Education	2,150,375	0	2,150,375
Assigned for Capital Projects	3,841,243	0	3,841,243
Unassigned	7,880,474	0	7,880,474
Total Fund Balances	$ 14,996,768	$ 2,704,612	$ 17,701,380
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 20,037,571	$ 2,800,982	$ 22,838,553

GRAINGER COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Grainger County School Department
June 30, 2025

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)			$ 17,701,380
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	$	1,478,572	
Add: construction in progress		40,675	
Add: buildings and improvements net of accumulated depreciation		30,311,037	
Add: other capital assets net of accumulated depreciation		3,421,750	35,252,034
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability	$	(7,455,740)	
Less: retirement honorarium payable		(391,200)	
Less: retirement incentive payable		(55,000)	
Less: compensated absences payable		(167,801)	(8,069,741)
(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	$	4,156,231	
Less: deferred inflows of resources related to pensions		(1,500,074)	
Add: deferred outflows of resources related to OPEB		1,460,399	
Less: deferred inflows of resources related to OPEB		(1,596,293)	2,520,263
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			7,805,616
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			320,280
Net position of governmental activities (Exhibit A)			$ 55,529,832

GRAINGER COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2025

	Major Funds		Nonmajor Funds	
	General Purpose School	*Formerly Major* School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 5,761,293	$ 0	$ 0	$ 5,761,293
Licenses and Permits	741	0	0	741
Fines, Forfeitures, and Penalties	7,066	0	0	7,066
Charges for Current Services	0	0	163,884	163,884
Other Local Revenues	411,209	0	1,674,456	2,085,665
State of Tennessee	27,644,153	0	16,250	27,660,403
Federal Government	373,864	0	6,183,953	6,557,817
Other Governments and Citizens Groups	268,531	0	0	268,531
Total Revenues	$ 34,466,857	$ 0	$ 8,038,543	$ 42,505,400
Expenditures				
Current:				
Instruction	$ 19,749,570	$ 0	$ 2,398,157	$ 22,147,727
Support Services	12,089,925	0	1,584,498	13,674,423
Operation of Non-Instructional Services	486,903	0	4,317,329	4,804,232
Capital Outlay	224,658	0	72,955	297,613

(Continued)

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

	Major Funds		Nonmajor Funds	
	General Purpose School	*Formerly Major* School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)				
Debt Service:				
Other Debt Service	$ 823,072	$ 0	$ 0	$ 823,072
Total Expenditures	$ 33,374,128	$ 0	$ 8,372,939	$ 41,747,067
Excess (Deficiency) of Revenues Over Expenditures	$ 1,092,729	$ 0	$ (334,396)	$ 758,333
Other Financing Sources (Uses)				
Insurance Recovery	$ 124,689	$ 0	$ 0	$ 124,689
Transfers In	400,000	0	0	400,000
Transfers Out	0	0	(400,000)	(400,000)
Total Other Financing Sources (Uses)	$ 524,689	$ 0	$ (400,000)	$ 124,689
Net Change in Fund Balances	$ 1,617,418	$ 0	$ (734,396)	$ 883,022
Change to or Within the Reporting Entity	0	(1,200,000)	1,200,000	0
Fund Balance, July 1, 2024	13,379,350	1,200,000	2,239,008	16,818,358
Fund Balance, June 30, 2025	$ 14,996,768	$ 0	$ 2,704,612	$ 17,701,380

GRAINGER COUNTY, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2025

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

Net changes in fund balances - total governmental funds (Exhibit I-4)			$ 883,022
(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	$ 1,802,067		
Less: current-year depreciation expense	(1,650,709)		151,358
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: net book value of assets disposed			(10,001)
(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, 2025	$ 320,280		
Less: deferred delinquent property taxes and other deferred June 30, 2024	(298,697)		21,583
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net OPEB liability	$ (445,601)		
Change in compensated absences payable	24,340		
Change in net pension asset/liability	2,405,519		
Change in deferred outflows related to pensions	(1,966,000)		
Change in deferred inflows related to pensions	(1,041,999)		
Change in deferred outflows related to OPEB	(95,784)		
Change in deferred inflows related to OPEB	387,494		
Change in retirement incentive payable	5,000		
Change in retirement honorarium payable	(48,800)		(775,831)
Change in net position of governmental activities (Exhibit B)			$ 270,131

GRAINGER COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Grainger County School Department
June 30, 2025

	Special Revenue Funds			
	School Federal Projects	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 6,788	$ 1,290,626	$ 1,297,414
Equity in Pooled Cash and Investments	508,932	435,715	0	944,647
Accounts Receivable	0	2,844	0	2,844
Due from Other Governments	385,571	168,667	0	554,238
Due from Other Funds	1,839	0	0	1,839
Total Assets	$ 896,342	$ 614,014	$ 1,290,626	$ 2,800,982
LIABILITIES				
Accounts Payable	$ 0	$ 28	$ 0	$ 28
Payroll Deductions Payable	96,342	0	0	96,342
Total Liabilities	$ 96,342	$ 28	$ 0	$ 96,370
FUND BALANCES				
Restricted:				
Restricted for Education	$ 0	$ 613,986	$ 1,290,626	$ 1,904,612
Committed:				
Committed for Education	800,000	0	0	800,000
Total Fund Balances	$ 800,000	$ 613,986	$ 1,290,626	$ 2,704,612
Total Liabilities and Fund Balances	$ 896,342	$ 614,014	$ 1,290,626	$ 2,800,982

GRAINGER COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Formerly Major School Federal Projects	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
Revenues				
Charges for Current Services	$ 0	$ 163,884	$ 0	$ 163,884
Other Local Revenues	0	47,988	1,626,468	1,674,456
State of Tennessee	0	16,250	0	16,250
Federal Government	4,055,610	2,128,343	0	6,183,953
Total Revenues	$ 4,055,610	$ 2,356,465	$ 1,626,468	$ 8,038,543
Expenditures				
Current:				
Instruction	$ 2,398,157	$ 0	$ 0	$ 2,398,157
Support Services	1,584,498	0	0	1,584,498
Operation of Non-Instructional Services	0	2,593,497	1,723,832	4,317,329
Capital Outlay	72,955	0	0	72,955
Total Expenditures	$ 4,055,610	$ 2,593,497	$ 1,723,832	$ 8,372,939
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ (237,032)	$ (97,364)	$ (334,396)
Other Financing Sources (Uses)				
Transfers Out	$ (400,000)	$ 0	$ 0	$ (400,000)
Total Other Financing Sources (Uses)	$ (400,000)	$ 0	$ 0	$ (400,000)
Net Change in Fund Balances	$ (400,000)	$ (237,032)	$ (97,364)	$ (734,396)
Change to or Within the Reporting Entity	1,200,000	0	0	1,200,000
Fund Balance, July 1, 2024	0	851,018	1,387,990	2,239,008
Fund Balance, June 30, 2025	$ 800,000	$ 613,986	$ 1,290,626	$ 2,704,612

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Discretely Presented Grainger County School Department
General Purpose School Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 5,761,293	$ 4,740,862	$ 4,740,862	$ 1,020,431
Licenses and Permits	741	0	0	741
Fines, Forfeitures, and Penalties	7,066	14,000	14,000	(6,934)
Other Local Revenues	411,209	36,800	255,908	155,301
State of Tennessee	27,644,153	25,828,656	28,679,509	(1,035,356)
Federal Government	373,864	88,428	365,632	8,232
Other Governments and Citizens Groups	268,531	0	268,531	0
Total Revenues	$ 34,466,857	$ 30,708,746	$ 34,324,442	$ 142,415
Expenditures				
Instruction				
Regular Instruction Program	$ 15,398,366	$ 16,425,831	$ 18,139,615	$ 2,741,249
Alternative Instruction Program	76,177	79,406	79,406	3,229
Special Education Program	2,684,299	2,571,071	3,038,416	354,117
Career and Technical Education Program	1,487,310	1,406,159	2,697,915	1,210,605
Student Body Education Program	28,870	32,000	32,000	3,130
Adult Education Program	74,548	82,118	82,118	7,570
Support Services				
Attendance	7,670	7,670	7,670	0
Health Services	575,122	618,676	638,352	63,230
Other Student Support	814,197	934,983	1,170,825	356,628
Regular Instruction Program	986,383	839,383	1,100,373	113,990
Special Education Program	545,146	377,686	658,320	113,174
Career and Technical Education Program	72,498	117,512	168,379	95,881
Technology	569,312	341,559	665,090	95,778
Other Programs	147,839	0	147,839	0
Board of Education	552,629	608,778	608,778	56,149
Director of Schools	434,154	518,078	544,578	110,424
Office of the Principal	2,078,914	2,035,503	2,326,948	248,034
Operation of Plant	1,958,547	2,034,791	2,060,245	101,698
Maintenance of Plant	1,208,387	761,684	1,529,165	320,778
Transportation	2,139,127	1,828,670	2,523,028	383,901

(Continued)

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Discretely Presented Grainger County School Department
General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Operation of Non-Instructional Services				
Food Service	$ 20,029	$ 0	$ 20,832	$ 803
Community Services	34,093	34,784	34,784	691
Early Childhood Education	432,781	0	432,781	0
Capital Outlay				
Regular Capital Outlay	224,658	127,500	1,287,500	1,062,842
Principal on Debt				
Education	0	700,000	0	0
Other Debt Service				
Education	823,072	0	823,072	0
Total Expenditures	$ 33,374,128	$ 32,483,842	$ 40,818,029	$ 7,443,901
Excess (Deficiency) of Revenues Over Expenditures	$ 1,092,729	$ (1,775,096)	$ (6,493,587)	$ 7,586,316
Other Financing Sources (Uses)				
Insurance Recovery	$ 124,689	$ 0	$ 124,689	$ 0
Transfers In	400,000	0	400,000	0
Total Other Financing Sources	$ 524,689	$ 0	$ 524,689	$ 0
Net Change in Fund Balance	$ 1,617,418	$ (1,775,096)	$ (5,968,898)	$ 7,586,316
Fund Balance, July 1, 2024	13,379,350	15,792,086	15,792,086	(2,412,736)
Fund Balance, June 30, 2025	$ 14,996,768	$ 14,016,990	$ 9,823,188	$ 5,173,580

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Discretely Presented Grainger County School Department
School Federal Projects Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 4,055,610	$ 2,241,775	$ 4,545,926	$ (490,316)
Total Revenues	$ 4,055,610	$ 2,241,775	$ 4,545,926	$ (490,316)
Expenditures				
Instruction				
Regular Instruction Program	$ 1,478,244	$ 1,009,827	$ 1,644,650	$ 166,406
Special Education Program	815,635	632,426	952,776	137,141
Career and Technical Education Program	104,278	53,321	104,278	0
Support Services				
Other Student Support	22,653	16,268	30,667	8,014
Regular Instruction Program	250,765	238,081	322,977	72,212
Special Education Program	340,788	185,087	427,210	86,422
Career and Technical Education Program	1,000	1,000	1,000	0
Technology	348,616	0	348,616	0
Operation of Plant	248,794	0	248,794	0
Transportation	371,882	105,765	392,003	20,121
Capital Outlay				
Regular Capital Outlay	72,955	0	72,955	0
Total Expenditures	$ 4,055,610	$ 2,241,775	$ 4,545,926	$ 490,316
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses)				
Transfers Out	$ (400,000)	$ 0	$ (400,000)	$ 0
Total Other Financing Sources	$ (400,000)	$ 0	$ (400,000)	$ 0
Net Change in Fund Balance	$ (400,000)	$ 0	$ (400,000)	$ 0
Changes to or Within the Financial Reporting Entity	1,200,000	0	0	1,200,000
Fund Balance, July 1, 2024	0	1,047,555	1,047,555	(1,047,555)
Fund Balance, June 30, 2025	$ 800,000	$ 1,047,555	$ 647,555	$ 152,445

GRAINGER COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Discretely Presented Grainger County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 163,884	$ 311,650	$ 314,808	$ (150,924)
Other Local Revenues	47,988	28,180	29,998	17,990
State of Tennessee	16,250	18,506	18,506	(2,256)
Federal Government	2,128,343	2,174,911	2,174,911	(46,568)
Total Revenues	$ 2,356,465	$ 2,533,247	$ 2,538,223	$ (181,758)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 2,593,497	$ 2,708,247	$ 2,713,223	$ 119,726
Total Expenditures	$ 2,593,497	$ 2,708,247	$ 2,713,223	$ 119,726
Excess (Deficiency) of Revenues Over Expenditures	$ (237,032)	$ (175,000)	$ (175,000)	$ (62,032)
Net Change in Fund Balance	$ (237,032)	$ (175,000)	$ (175,000)	$ (62,032)
Fund Balance, July 1, 2024	851,018	1,084,681	1,084,681	(233,663)
Fund Balance, June 30, 2025	$ 613,986	$ 909,681	$ 909,681	$ (295,695)

Miscellaneous Schedules

GRAINGER COUNTY, TENNESSEE
Schedule of Changes in Long-term Bonds and Other Loans
For the Year Ended June 30, 2025

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-24	Paid and/or Matured During Period	Outstanding 6-30-25
BONDS PAYABLE							
Payable through General Debt Service Fund							
General Obligation Refunding Bonds, Series 2020A	$ 8,375,000	2 to 3 %	8-21-20	4-1-32	$ 6,890,000	$ 225,000	$ 6,665,000
General Obligation Refunding Bonds, Series 2020B	7,910,000	1 to 5	9-25-20	6-1-30	3,560,000	1,300,000	2,260,000
Total Bonds Payable					$ 10,450,000	$ 1,525,000	$ 8,925,000
OTHER LOANS PAYABLE							
Payable through General Debt Service Fund							
Energy Efficient Schools Initiative	1,350,845	1.5	6-19-19	10-1-31	$ 845,600	$ 111,024	$ 734,576
Total Other Loans Payable					$ 845,600	$ 111,024	$ 734,576

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	$ 1,555,000	$ 270,450	$ 1,825,450
2027	1,600,000	202,100	1,802,100
2028	1,640,000	154,100	1,794,100
2029	1,615,000	104,900	1,719,900
2030	1,655,000	61,650	1,716,650
2031	425,000	17,200	442,200
2032	435,000	8,700	443,700
Total	$ 8,925,000	$ 819,100	$ 9,744,100

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2026	$ 112,692	$ 10,380	$ 123,072
2027	114,396	8,676	123,072
2028	116,124	6,948	123,072
2029	117,876	5,196	123,072
2030	119,664	3,408	123,072
2031	121,464	1,608	123,072
2032	32,360	103	32,463
Total	$ 734,576	$ 36,319	$ 770,895

GRAINGER COUNTY, TENNESSEE
Schedule of Transfers
Primary Government and Discretely Presented Grainger County School Department
For the Year Ended June 30, 2025

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Other General Government	Return of prior year ARPA funding	$ 142,421
Other General Government	General	Revenue replacement from ARPA funding	71,777
Sports and Recreation	"	Payroll benefits	4,113
Total Transfers Primary Government			$ 218,311
DISCRETELY PRESENTED GRAINGER COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Return of cash flow	$ 400,000
Total Transfers Discretely Presented Grainger County School Department			$ 400,000

GRAINGER COUNTY, TENNESSEE
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Grainger County School Department
For the Year Ended June 30, 2025

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary/Total compensation	$ 115,515			
Road Superintendent		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary/Total compensation	$ 104,776			
Director of Schools		State Board of Education and	(1)	Tennessee Risk Management Trust
Base salary	$ 105,500	County Board of Education		
Automobile allowance	5,000			
CEO training supplement	1,000			
Attendance bonus	300			
Across the board bonus	1,700			
Total compensation	$ 113,500			
Trustee		Section 8-24-102, *TCA*	$ 1,264,214	RLI Insurance Company
Base salary	$ 95,251			
Certified Public Administrator incentive	1,200			
Total compensation	$ 96,451			
Assessor of Property		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary/Total compensation	$ 95,251			
County Clerk		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary	$ 95,251			
Certified Public Administrator incentive	1,200			
Total compensation	$ 96,451			
Circuit and General Sessions Courts Clerk		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary/Total compensation	$ 95,251			
Clerk and Master		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary	$ 95,251			
Special commissioner fees	32,010			
Total compensation	$ 127,261			
Register of Deeds		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary	$ 95,251			
Certified Public Administrator incentive	1,200			
Total compensation	$ 96,451			
Sheriff		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary	$ 104,776			
Workhouse superintendent	5,239			
Law enforcement training supplement	800			
Law enforcement retention bonus	800			
Total compensation	$ 111,615			
Administrator of Elections		Section 2-12-208, *TCA*		
Base Salary	$ 85,726			
Bonus	1,200			
Total compensation	$ 86,926			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Insurance Pool
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

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

GRAINGER COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2025

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Local Taxes					
County Property Taxes					
Current Property Tax	$ 6,467,459	$ 0	$ 0	$ 956,677	$ 0
Trustee's Collections - Prior Year	119,214	0	0	20,253	0
Circuit Clerk/Clerk and Master Collections - Prior Years	96,596	0	0	14,250	0
Interest and Penalty	30,207	0	0	4,300	0
Pickup Taxes	3,611	0	0	538	0
Payments in-Lieu-of Taxes - T.V.A.	3,275	0	0	488	0
Payments in-Lieu-of Taxes - Local Utilities	267,220	0	0	39,830	0
Payments in-Lieu-of Taxes - Other	106,588	0	0	15,887	0
County Local Option Taxes					
Local Option Sales Tax	589,238	0	0	0	0
Litigation Tax - General	6,479	179	179	0	0
Litigation Tax - Special Purpose	55,852	1,984	1,157	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	25,173	0	0	0	0
Litigation Tax - Courthouse Security	2,864	0	0	0	0
Business Tax	121,994	0	0	16,896	0
Mixed Drink Tax	446	0	0	0	0
Mineral Severance Tax	0	0	0	0	0

(Continued)

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Local Taxes (Cont.)					
Statutory Local Taxes					
Bank Excise Tax	$ 100,288	$ 0	$ 0	$ 0	$ 0
Wholesale Beer Tax	14,687	0	0	0	0
City Local Option Taxes					
Hotel/Motel Tax	25,450	0	0	0	0
Total Local Taxes	$ 8,036,641	$ 2,163	$ 1,336	$ 1,069,119	$ 0
Licenses and Permits					
Licenses					
Marriage Licenses	$ 736	$ 0	$ 0	$ 0	$ 0
Cable TV Franchise	69,756	0	0	0	0
Permits					
Beer Permits	583	0	0	0	0
Other Permits	200	0	0	0	0
Total Licenses and Permits	$ 71,275	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 415	$ 0	$ 0	$ 62	$ 0

(Continued)

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Fines, Forfeitures, and Penalties (Cont.)					
Circuit Court (Cont.)					
Officers Costs	$ 1,737	$ 0	$ 0	$ 257	$ 0
Drug Control Fines	1,203	0	0	0	4,260
Jail Fees	1,059	0	0	0	0
DUI Treatment Fines	190	0	0	0	0
Data Entry Fee - Circuit Court	520	0	0	0	0
Criminal Court					
DUI Treatment Fines	314	0	0	47	0
Victims Assistance Assessments	1,737	0	0	0	0
General Sessions Court					
Fines	5,995	0	0	890	0
Fines for Littering	6	0	0	1	0
Officers Costs	11,529	0	0	1,489	0
Game and Fish Fines	193	0	0	29	0
Drug Control Fines	708	0	0	0	805
Jail Fees	5,982	0	0	0	0
DUI Treatment Fines	4,194	0	0	0	0
Data Entry Fee - General Sessions Court	10,537	0	0	0	0
Courtroom Security Fee	60,945	0	0	0	0
Victims Assistance Assessments	7,358	0	0	0	0

(Continued)

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Fines, Forfeitures, and Penalties (Cont.)					
Juvenile Court					
Fines	$ 57	$ 0	$ 0	$ 8	$ 0
Officers Costs	656	0	0	0	0
Data Entry Fee - Juvenile Court	188	0	0	0	0
Courtroom Security Fee	6	0	0	0	0
Chancery Court					
Officers Costs	653	0	0	0	0
Data Entry Fee - Chancery Court	1,711	0	0	0	0
Courtroom Security Fee	4,616	0	0	0	0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	1,508
Total Fines, Forfeitures, and Penalties	$ 122,509	$ 0	$ 0	$ 2,783	$ 6,573
Charges for Current Services					
General Service Charges					
Other Employee Benefit Charges/Contributions	$ 1,763	$ 0	$ 0	$ 0	$ 0
Surcharge - Waste Tire Disposal	0	0	0	3,944	0
Patient Charges	1,237,426	0	0	0	0
Past Due Collections - Ambulance	1,544	0	0	0	0
Service Charges	21,033	0	0	0	0

(Continued)

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Charges for Current Services (Cont.)					
Fees					
Recreation Fees	$ 0	$ 0	$ 0	$ 0	$ 0
Copy Fees	226	0	0	0	0
Library Fees	1,802	0	0	0	0
Archives and Records Management Fee	40,642	0	0	0	0
Telephone Commissions	40,691	0	0	0	0
Fingerprint Fees	3,762	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	8,466	0	0	0	0
Data Processing Fee - Sheriff	3,963	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,700	0	0	0	0
Data Processing Fee - County Clerk	3,460	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	4,995	0	0	0	0
Education Charges					
Other Charges for Services	0	0	0	0	0
Total Charges for Current Services	$ 1,372,473	$ 0	$ 0	$ 3,944	$ 0

(Continued)

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals/PPP	17,000	0	0	0	0
Sale of Materials and Supplies	68	0	0	0	0
Commissary Sales	12,804	0	0	0	0
Sale of Gasoline	0	0	0	1,158	0
Sale of Recycled Materials	1,269	0	0	53,879	0
Miscellaneous Refunds	42,874	0	0	0	0
Nonrecurring Items					
Sale of Equipment	0	0	0	5,131	0
Sale of Property	4,750	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	531
Contributions and Gifts	31,062	0	0	0	0
Other Local Revenues					
Other Local Revenues	36	0	0	0	0
Total Other Local Revenues	$ 109,863	$ 0	$ 0	$ 60,168	$ 531

(Continued)

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Fees Received From County Officials					
Excess Fees					
Trustee	$ 160,000	$ 0	$ 0	$ 0	$ 0
Fees In-Lieu-of Salary					
County Clerk	327,529	0	0	0	0
Circuit Court Clerk	21,119	0	0	0	0
General Sessions Court Clerk	135,911	0	0	0	0
Clerk and Master	72,505	0	0	0	0
Juvenile Court Clerk	10,090	0	0	0	0
Register	124,718	0	0	0	0
Sheriff	11,230	0	0	0	0
Total Fees Received From County Officials	$ 863,102	$ 0	$ 0	$ 0	$ 0
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 13,500	$ 0	$ 0	$ 0	$ 0
Aging Programs	5,020	0	0	0	0
Solid Waste Grants	0	0	0	33,680	0
Public Safety Grants					
Law Enforcement Training Programs	44,000	0	0	0	0
School Resource Officer Grants	516,281	0	0	0	0

(Continued)

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
State of Tennessee (Cont.)					
Health and Welfare Grants					
Public Health Nurses	$ 82,611	$ 0	$ 0	$ 0	$ 0
Public Works Grants					
State Aid Program	0	0	0	0	0
Litter Program	23,454	0	0	0	0
Other State Revenues					
Beer Tax	78,995	0	0	0	0
Vehicle Certificate of Title Fees	22,736	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	0
State Revenue Sharing - T.V.A.	656,467	0	0	97,848	0
State Revenue Sharing - Telecommunications	40,268	0	0	0	0
State Shared Sports Gaming Privilege Tax	37,505	0	0	0	0
Contracted Prisoner Boarding	201,761	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	3,024	0	0	0	0
Other State Revenues	21,967	0	0	6,875	0
Total State of Tennessee	$ 1,762,753	$ 0	$ 0	$ 138,403	$ 0

(Continued)

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

		Special Revenue Funds			
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Federal Government					
Federal Through State					
USDA - Other	$ 0	$ 0	$ 0	$ 0	$ 0
Community Development	54,659	0	0	0	0
Homeland Security Grants	17,706	0	0	0	0
Medicaid	73,054	0	0	0	0
American Rescue Plan Act Grant A	15,047	0	0	0	0
Other Federal through State	376,508	0	0	0	0
Direct Federal Revenue					
American Rescue Plan Act Grant #6	464,667	0	0	0	0
Other Direct Federal Revenue	400	0	0	0	0
Total Federal Government	$ 1,002,041	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0
Citizens Groups					
Donations	21,238	0	0	0	0
Other					
Opioid Settlement Funds - Past Remediation	68,897	0	0	0	0
Total Other Governments and Citizens Groups	$ 90,135	$ 0	$ 0	$ 0	$ 0
Total	$ 13,430,792	$ 2,163	$ 1,336	$ 1,274,417	$ 7,104

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 162,458	$ 0	$ 0	$ 617,859	$ 485,965	$ 8,690,418
Trustee's Collections - Prior Year	3,801	0	0	14,456	11,371	169,095
Circuit Clerk/Clerk and Master Collections - Prior Years	2,444	0	0	9,294	7,311	129,895
Interest and Penalty	813	0	0	2,786	2,307	40,413
Pickup Taxes	91	0	0	347	273	4,860
Payments in-Lieu-of Taxes - T.V.A.	83	0	0	314	247	4,407
Payments in-Lieu-of Taxes - Local Utilities	6,743	0	0	25,641	20,169	359,603
Payments in-Lieu-of Taxes - Other	4,948	0	0	18,815	8,045	154,283
County Local Option Taxes						
Local Option Sales Tax	0	0	0	0	700,000	1,289,238
Litigation Tax - General	0	0	0	0	0	6,837
Litigation Tax - Special Purpose	0	0	0	0	0	58,993
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	25,173
Litigation Tax - Courthouse Security	0	0	0	0	0	2,864
Business Tax	2,874	0	0	10,931	8,341	161,036
Mixed Drink Tax	0	0	0	0	0	446
Mineral Severance Tax	0	0	0	53,897	0	53,897

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Local Taxes (Cont.)						
Statutory Local Taxes						
Bank Excise Tax	$ 0	$ 0	$ 0	$ 0	$ 0	$ 100,288
Wholesale Beer Tax	0	0	0	0	0	14,687
City Local Option Taxes						
Hotel/Motel Tax	0	0	0	0	0	25,450
Total Local Taxes	$ 184,255	$ 0	$ 0	$ 754,340	$ 1,244,029	$ 11,291,883
Licenses and Permits						
Licenses						
Marriage Licenses	$ 0	$ 0	$ 0	$ 0	$ 0	$ 736
Cable TV Franchise	0	0	0	0	0	69,756
Permits						
Beer Permits	0	0	0	0	0	583
Other Permits	0	0	0	0	0	200
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 0	$ 71,275
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 10	$ 0	$ 0	$ 40	$ 31	$ 558

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)						
Circuit Court (Cont.)						
Officers Costs	$ 44	$ 0	$ 0	$ 155	$ 123	$ 2,316
Drug Control Fines	0	0	0	0	0	5,463
Jail Fees	0	0	0	0	0	1,059
DUI Treatment Fines	0	0	0	0	0	190
Data Entry Fee - Circuit Court	0	0	0	0	0	520
Criminal Court						
DUI Treatment Fines	8	0	0	30	24	423
Victims Assistance Assessments	0	0	0	0	0	1,737
General Sessions Court						
Fines	162	0	0	581	429	8,057
Fines for Littering	0	0	0	1	0	8
Officers Costs	277	0	0	963	703	14,961
Game and Fish Fines	5	0	0	19	15	261
Drug Control Fines	0	0	0	0	0	1,513
Jail Fees	0	0	0	0	0	5,982
DUI Treatment Fines	0	0	0	0	0	4,194
Data Entry Fee - General Sessions Court	0	0	0	0	0	10,537
Courtroom Security Fee	0	0	0	0	0	60,945
Victims Assistance Assessments	0	0	0	0	0	7,358

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court						
Fines	$ 1	$ 0	$ 0	$ 6	$ 4	$ 76
Officers Costs	0	0	0	0	0	656
Data Entry Fee - Juvenile Court	0	0	0	0	0	188
Courtroom Security Fee	0	0	0	0	0	6
Chancery Court						
Officers Costs	0	0	0	0	0	653
Data Entry Fee - Chancery Court	0	0	0	0	0	1,711
Courtroom Security Fee	0	0	0	0	0	4,616
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	1,508
Total Fines, Forfeitures, and Penalties	$ 507	$ 0	$ 0	$ 1,795	$ 1,329	$ 135,496
Charges for Current Services						
General Service Charges						
Other Employee Benefit Charges/Contributions	$ 57	$ 0	$ 0	$ 0	$ 0	$ 1,820
Surcharge - Waste Tire Disposal	0	0	0	0	0	3,944
Patient Charges	0	0	0	0	0	1,237,426
Past Due Collections - Ambulance	0	0	0	0	0	1,544
Service Charges	0	0	0	0	0	21,033

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Charges for Current Services (Cont.)						
Fees						
Recreation Fees	$ 25,377	$ 0	$ 0	$ 0	$ 0	$ 25,377
Copy Fees	0	0	0	0	0	226
Library Fees	0	0	0	0	0	1,802
Archives and Records Management Fee	0	0	0	0	0	40,642
Telephone Commissions	0	0	0	0	0	40,691
Fingerprint Fees	0	0	0	0	0	3,762
Constitutional Officers' Fees and Commissions	0	0	237,050	0	0	237,050
Special Commissioner Fees/Special Master Fees	0	0	32,010	0	0	32,010
Data Processing Fee - Register	0	0	0	0	0	8,466
Data Processing Fee - Sheriff	0	0	0	0	0	3,963
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	2,700
Data Processing Fee - County Clerk	0	0	0	0	0	3,460
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	0	4,995
Education Charges						
Other Charges for Services	0	0	0	990	0	990
Total Charges for Current Services	$ 25,434	$ 0	$ 269,060	$ 990	$ 0	$ 1,671,901

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 9,188	$ 0	$ 0	$ 1,189,137	$ 1,198,325
Lease/Rentals/PPP	0	0	0	0	0	17,000
Sale of Materials and Supplies	0	0	0	0	0	68
Commissary Sales	0	0	0	0	0	12,804
Sale of Gasoline	0	0	0	0	0	1,158
Sale of Recycled Materials	0	0	0	938	0	56,086
Miscellaneous Refunds	1,350	0	0	533	0	44,757
Nonrecurring Items						
Sale of Equipment	0	0	0	0	0	5,131
Sale of Property	0	0	0	0	0	4,750
Damages Recovered from Individuals	0	0	0	0	0	531
Contributions and Gifts	16,554	0	0	0	0	47,616
Other Local Revenues						
Other Local Revenues	0	0	0	0	0	36
Total Other Local Revenues	$ 17,904	$ 9,188	$ 0	$ 1,471	$ 1,189,137	$ 1,388,262

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Fees Received From County Officials						
Excess Fees						
Trustee	$ 0	$ 0	$ 0	$ 0	$ 0	$ 160,000
Fees In-Lieu-of Salary						
County Clerk	0	0	0	0	0	327,529
Circuit Court Clerk	0	0	0	0	0	21,119
General Sessions Court Clerk	0	0	0	0	0	135,911
Clerk and Master	0	0	0	0	0	72,505
Juvenile Court Clerk	0	0	0	0	0	10,090
Register	0	0	0	0	0	124,718
Sheriff	0	0	0	0	0	11,230
Total Fees Received From County Officials	$ 0	$ 0	$ 0	$ 0	$ 0	$ 863,102
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 0	$ 13,500
Aging Programs	0	0	0	0	0	5,020
Solid Waste Grants	0	0	0	0	0	33,680
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	44,000
School Resource Officer Grants	0	0	0	0	0	516,281

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
State of Tennessee (Cont.)						
Health and Welfare Grants						
Public Health Nurses	$ 0	$ 0	$ 0	$ 0	$ 0	$ 82,611
Public Works Grants						
State Aid Program	0	0	0	633,894	0	633,894
Litter Program	0	0	0	0	0	23,454
Other State Revenues						
Beer Tax	0	0	0	0	0	78,995
Vehicle Certificate of Title Fees	0	0	0	0	0	22,736
Opioid Settlement Funds - TN Abatement Council	0	88,145	0	0	0	88,145
State Revenue Sharing - T.V.A.	16,564	0	0	62,992	49,548	883,419
State Revenue Sharing - Telecommunications	0	0	0	0	0	40,268
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	37,505
Contracted Prisoner Boarding	0	0	0	0	0	201,761
Gasoline and Motor Fuel Tax	0	0	0	2,199,596	0	2,199,596
Hybrid/Electric Vehicle Registration Fee	0	0	0	28,388	0	28,388
Petroleum Special Tax	0	0	0	14,290	0	14,290
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	44,622	0	0	0	0	47,646
Other State Revenues	0	0	0	0	0	28,842
Total State of Tennessee	$ 61,186	$ 88,145	$ 0	$ 2,939,160	$ 49,548	$ 5,039,195

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	Sports and Recreation	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	Total
Federal Government						
Federal Through State						
USDA - Other	$ 0	$ 0	$ 0	$ 12,570	$ 0	$ 12,570
Community Development	0	0	0	0	0	54,659
Homeland Security Grants	0	0	0	0	0	17,706
Medicaid	0	0	0	0	0	73,054
American Rescue Plan Act Grant A	0	0	0	0	0	15,047
Other Federal through State	0	0	0	0	0	376,508
Direct Federal Revenue						
American Rescue Plan Act Grant #6	0	0	0	0	0	464,667
Other Direct Federal Revenue	0	0	0	0	0	400
Total Federal Government	$ 0	$ 0	$ 0	$ 12,570	$ 0	$ 1,014,611
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 0	$ 0	$ 0	$ 0	$ 823,072	$ 823,072
Citizens Groups						
Donations	0	0	0	0	0	21,238
Other						
Opioid Settlement Funds - Past Remediation	0	0	0	0	0	68,897
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 0	$ 823,072	$ 913,207
Total	$ 289,286	$ 97,333	$ 269,060	$ 3,710,326	$ 3,307,115	$ 22,388,932

GRAINGER COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2025

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 2,400,537	$ 0	$ 0	$ 0	$ 2,400,537
Trustee's Collections - Prior Year	61,513	0	0	0	61,513
Circuit Clerk/Clerk and Master Collections - Prior Years	36,586	0	0	0	36,586
Interest and Penalty	11,504	0	0	0	11,504
Pickup Taxes	1,347	0	0	0	1,347
Payments in-Lieu-of Taxes - T.V.A.	1,222	0	0	0	1,222
Payments in-Lieu-of Taxes - Local Utilities	99,672	0	0	0	99,672
Payments in-Lieu-of Taxes - Other	76,300	0	0	0	76,300
County Local Option Taxes					
Local Option Sales Tax	3,029,918	0	0	0	3,029,918
Business Tax	42,694	0	0	0	42,694
Total Local Taxes	$ 5,761,293	$ 0	$ 0	$ 0	$ 5,761,293
Licenses and Permits					
Licenses					
Marriage Licenses	$ 741	$ 0	$ 0	$ 0	$ 741
Total Licenses and Permits	$ 741	$ 0	$ 0	$ 0	$ 741

(Continued)

GRAINGER COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Grainger County School Department (Cont.)

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 155	$ 0	$ 0	$ 0	$ 155
Officers Costs	604	0	0	0	604
Criminal Court					
DUI Treatment Fines	118	0	0	0	118
General Sessions Court					
Fines	2,291	0	0	0	2,291
Fines for Littering	2	0	0	0	2
Officers Costs	3,800	0	0	0	3,800
Game and Fish Fines	73	0	0	0	73
Juvenile Court					
Fines	23	0	0	0	23
Total Fines, Forfeitures, and Penalties	$ 7,066	$ 0	$ 0	$ 0	$ 7,066
Charges for Current Services					
Education Charges					
Lunch Payments - Children	$ 0	$ 0	$ 24,898	$ 0	$ 24,898
Lunch Payments - Adults	0	0	45,257	0	45,257

(Continued)

GRAINGER COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Grainger County School Department (Cont.)

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
Income from Breakfast	$ 0	$ 0	$ 1,449	$ 0	$ 1,449
A la Carte Sales	0	0	55,206	0	55,206
Receipts from Individual Schools	0	0	393	0	393
Other Charges for Services	0	0	36,681	0	36,681
Total Charges for Current Services	$ 0	$ 0	$ 163,884	$ 0	$ 163,884
Other Local Revenues					
Recurring Items					
Investment Income	$ 32,306	$ 0	$ 25,037	$ 0	$ 57,343
Lease/Rentals/PPP	1,800	0	0	0	1,800
Miscellaneous Refunds	377,037	0	22,951	0	399,988
Other Local Revenues					
Other Local Revenues	66	0	0	1,626,468	1,626,534
Total Other Local Revenues	$ 411,209	$ 0	$ 47,988	$ 1,626,468	$ 2,085,665

(Continued)

GRAINGER COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Grainger County School Department (Cont.)

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 147,839	$ 0	$ 0	$ 0	$ 147,839
State Education Funds					
Tennessee Investment in Student Achievement	25,441,980	0	0	0	25,441,980
TISA - On-behalf Payments	81,726	0	0	0	81,726
Early Childhood Education	498,884	0	0	0	498,884
School Food Service	0	0	16,250	0	16,250
Driver Education	8,551	0	0	0	8,551
Other State Education Funds	693,386	0	0	0	693,386
Paid Parental Leave	116,909	0	0	0	116,909
Career Ladder Program	41,750	0	0	0	41,750
Other Vocational	326,389	0	0	0	326,389
Other State Revenues					
State Revenue Sharing - T.V.A.	244,860	0	0	0	244,860
Other State Grants	41,879	0	0	0	41,879
Total State of Tennessee	$ 27,644,153	$ 0	$ 16,250	$ 0	$ 27,660,403

(Continued)

GRAINGER COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Grainger County School Department (Cont.)

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 1,422,836	$ 0	$ 1,422,836
USDA - Commodities	0	0	163,831	0	163,831
Breakfast	0	0	518,773	0	518,773
USDA - Other	0	0	22,903	0	22,903
Vocational Education - Basic Grants to States	0	124,908	0	0	124,908
Title I Grants to Local Education Agencies	0	1,078,860	0	0	1,078,860
Special Education - Grants to States	28,455	1,139,003	0	0	1,167,458
Special Education Preschool Grants	0	111,588	0	0	111,588
Rural Education	0	131,410	0	0	131,410
Eisenhower Professional Development State Grants	0	139,888	0	0	139,888
American Rescue Plan Act Grant #1	0	1,328,601	0	0	1,328,601
American Rescue Plan Act Grant #4	0	1,352	0	0	1,352
Other Federal through State	260,734	0	0	0	260,734
Direct Federal Revenue					
ROTC Reimbursement	84,675	0	0	0	84,675
Total Federal Government	$ 373,864	$ 4,055,610	$ 2,128,343	$ 0	$ 6,557,817
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 268,531	$ 0	$ 0	$ 0	$ 268,531
Total Other Governments and Citizens Groups	$ 268,531	$ 0	$ 0	$ 0	$ 268,531
Total	$ 34,466,857	$ 4,055,610	$ 2,356,465	$ 1,626,468	$ 42,505,400

GRAINGER COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2025

General Fund		
General Government		
County Commission		
Salary Supplements	$ 7,200	
Board and Committee Members Fees	45,250	
Social Security	4,012	
Pensions	3,845	
Dues and Memberships	3,163	
Travel	1,421	
Total County Commission		$ 64,891
Board of Equalization		
Board and Committee Members Fees	$ 750	
Total Board of Equalization		750
Beer Board		
Board and Committee Members Fees	$ 500	
Total Beer Board		500
Budget and Finance Committee		
Board and Committee Members Fees	$ 3,500	
Total Budget and Finance Committee		3,500
County Mayor/Executive		
County Official/Administrative Officer	$ 115,515	
Purchasing Personnel	13,388	
Salary Supplements	3,264	
Longevity Pay	600	
Other Salaries and Wages	72,497	
Social Security	15,413	
Pensions	11,816	
Medical Insurance	8,862	
Unemployment Compensation	85	
Data Processing Services	16,589	
Maintenance Agreements	848	
Postal Charges	1,562	
Printing, Stationery, and Forms	958	
Travel	3,972	
Office Supplies	551	
Office Equipment	159	
Total County Mayor/Executive		266,079

(Continued)

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

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

County Official/Administrative Officer	$ 85,726		
Assistant(s)	30,730		
Salary Supplements	1,200		
Part-time Personnel	7,175		
Longevity Pay	800		
Election Commission	22,500		
Election Workers	32,064		
In-service Training	700		
Social Security	9,317		
Pensions	7,104		
Unemployment Compensation	65		
Legal Notices, Recording, and Court Costs	6,570		
Maintenance Agreements	19,824		
Maintenance and Repair Services - Equipment	1,605		
Maintenance and Repair Services - Office Equipment	813		
Postal Charges	3,962		
Printing, Stationery, and Forms	2,126		
Travel	3,820		
Electricity	3,250		
Office Supplies	1,572		
Water and Sewer	832		
Other Charges	642		
Total Election Commission		$	242,397

Register of Deeds

County Official/Administrative Officer	$ 95,251		
Salary Supplements	3,600		
Clerical Personnel	64,290		
Part-time Personnel	12,099		
Longevity Pay	1,250		
Social Security	13,089		
Pensions	9,840		
Medical Insurance	16,452		
Unemployment Compensation	96		
Data Processing Services	14,430		
Dues and Memberships	1,927		

(Continued)

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

General Fund (Cont.)		
General Government (Cont.)		
Register of Deeds (Cont.)		
Maintenance Agreements	$ 1,691	
Maintenance and Repair Services - Office Equipment	1,678	
Postal Charges	353	
Printing, Stationery, and Forms	360	
Travel	3,150	
Office Supplies	2,119	
Office Equipment	2,925	
Total Register of Deeds		$ 244,600
Planning		
Board and Committee Members Fees	$ 8,375	
Other Contracted Services	13,612	
Total Planning		21,987
County Buildings		
Custodial Personnel	$ 35,220	
Maintenance Personnel	12,561	
Longevity Pay	200	
Social Security	3,662	
Pensions	2,868	
Medical Insurance	5,484	
Unemployment Compensation	21	
Communication	11,045	
Maintenance and Repair Services - Buildings	10,186	
Custodial Supplies	1,899	
Electricity	25,116	
Water and Sewer	4,492	
Building Improvements	15,623	
Total County Buildings		128,377
Other Facilities		
Maintenance Personnel	$ 36,162	
Social Security	2,686	
Pensions	2,155	
Medical Insurance	1,828	
Unemployment Compensation	46	

(Continued)

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

General Fund (Cont.)		
General Government (Cont.)		
Other Facilities (Cont.)		
Communication	$ 20,301	
Maintenance and Repair Services - Buildings	184,923	
Other Contracted Services	771	
Custodial Supplies	2,294	
Diesel Fuel	806	
Electricity	130,605	
Propane Gas	83,648	
Water and Sewer	46,564	
Office Equipment	8,159	
Total Other Facilities		$ 520,948
Preservation of Records		
Part-time Personnel	$ 15,207	
Social Security	1,163	
Unemployment Compensation	21	
Communication	3,561	
Postal Charges	119	
Office Supplies	1,500	
Other Supplies and Materials	35	
Other Charges	1,339	
Office Equipment	500	
Total Preservation of Records		23,445
Finance		
Property Assessor's Office		
County Official/Administrative Officer	$ 95,251	
Assistant(s)	27,705	
Deputy(ies)	35,080	
Salary Supplements	1,200	
Part-time Personnel	21,000	
Longevity Pay	650	
Social Security	13,596	
Pensions	7,588	
Medical Insurance	5,484	
Unemployment Compensation	106	
Contracts with Private Agencies	3,930	

(Continued)

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

General Fund (Cont.)
Finance (Cont.)
Property Assessor's Office (Cont.)

Data Processing Services	$ 16,745		
Dues and Memberships	1,550		
Maintenance Agreements	1,018		
Maintenance and Repair Services - Vehicles	315		
Postal Charges	810		
Printing, Stationery, and Forms	875		
Travel	2,065		
Gasoline	1,488		
Office Supplies	2,389		
Motor Vehicles	5,000		
Total Property Assessor's Office		$	243,845

County Trustee's Office

Social Security	$ 17,248		
Pensions	13,813		
Medical Insurance	10,968		
Unemployment Compensation	89		
Data Processing Services	33,803		
Dues and Memberships	1,307		
Legal Notices, Recording, and Court Costs	90		
Maintenance Agreements	1,213		
Postal Charges	9,630		
Printing, Stationery, and Forms	2,000		
Travel	4,177		
Office Supplies	4,733		
Premiums on Corporate Surety Bonds	3,696		
Data Processing Equipment	5,501		
Office Equipment	1,570		
Total County Trustee's Office			109,838

County Clerk's Office

County Official/Administrative Officer	$ 95,251		
Salary Supplements	8,400		
Clerical Personnel	217,295		
Longevity Pay	3,700		
Social Security	24,330		

(Continued)

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

General Fund (Cont.)		
Finance (Cont.)		
County Clerk's Office (Cont.)		
Pensions	$ 18,878	
Medical Insurance	26,506	
Unemployment Compensation	172	
Data Processing Services	15,050	
Dues and Memberships	1,272	
Maintenance Agreements	10,640	
Postal Charges	11,183	
Printing, Stationery, and Forms	3,899	
Travel	3,501	
Office Supplies	15,742	
Other Charges	599	
Data Processing Equipment	7,980	
Total County Clerk's Office		$ 464,398
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 95,251	
Deputy(ies)	36,472	
Secretary(ies)	34,041	
Longevity Pay	1,200	
Jury and Witness Expense	5,530	
Social Security	12,256	
Pensions	9,920	
Medical Insurance	16,452	
Unemployment Compensation	42	
Dues and Memberships	957	
Maintenance Agreements	14,123	
Postal Charges	3,344	
Printing, Stationery, and Forms	2,183	
Travel	305	
Office Supplies	4,797	
Data Processing Equipment	1,662	
Office Equipment	19,999	
Total Circuit Court		258,534

(Continued)

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

General Fund (Cont.)
Administration of Justice (Cont.)
General Sessions Court

Judge(s)	$ 123,514		
Secretary(ies)	99,758		
Longevity Pay	700		
Social Security	15,426		
Pensions	11,565		
Medical Insurance	16,452		
Unemployment Compensation	112		
Maintenance Agreements	6,052		
Travel	3,266		
Other Contracted Services	800		
Library Books/Media	1,181		
Office Supplies	1,055		
Total General Sessions Court		$	279,881

Chancery Court

County Official/Administrative Officer	$ 95,251		
Deputy(ies)	35,075		
Social Security	9,614		
Pensions	7,829		
Medical Insurance	10,968		
Unemployment Compensation	21		
Dues and Memberships	957		
Maintenance Agreements	7,072		
Postal Charges	1,693		
Printing, Stationery, and Forms	52		
Library Books/Media	907		
Office Supplies	2,075		
Office Equipment	1,271		
Total Chancery Court			172,785

Juvenile Court

Assistant(s)	$ 33,584		
Supervisor/Director	45,475		
Probation Officer(s)	4,865		
Longevity Pay	1,050		
Social Security	6,164		

(Continued)

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

General Fund (Cont.)			
Administration of Justice (Cont.)			
Juvenile Court (Cont.)			
Pensions	$ 4,798		
Medical Insurance	10,968		
Unemployment Compensation	42		
Contracts with Other Public Agencies	190		
Data Processing Services	351		
Maintenance and Repair Services - Office Equipment	6,052		
Postal Charges	129		
Travel	1,313		
Food Preparation Supplies	281		
Other Supplies and Materials	96		
Office Equipment	513		
Total Juvenile Court		$	115,871
District Attorney General			
Longevity Pay	$ 350		
Other Salaries and Wages	43,974		
Social Security	3,289		
Pensions	2,659		
Medical Insurance	5,484		
Unemployment Compensation	21		
Postal Charges	90		
Office Supplies	797		
Other Supplies and Materials	200		
Maintenance Equipment	1,050		
Total District Attorney General			57,914
Public Safety			
Sheriff's Department			
County Official/Administrative Officer	$ 110,015		
Deputy(ies)	744,014		
Investigator(s)	58,260		
Sergeant(s)	192,301		
Medical Personnel	42,510		
Salary Supplements	44,800		
Secretary(ies)	79,883		
School Resource Officer	315,885		

(Continued)

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

General Fund (Cont.)
Public Safety (Cont.)
Sheriff's Department (Cont.)

Longevity Pay	$ 8,850	
In-service Training	13,266	
Social Security	115,031	
Pensions	89,141	
Medical Insurance	102,499	
Unemployment Compensation	695	
Communication	51,803	
Data Processing Services	28,989	
Dues and Memberships	4,475	
Maintenance Agreements	68,690	
Maintenance and Repair Services - Vehicles	83,481	
Postal Charges	2,550	
Printing, Stationery, and Forms	1,094	
Travel	6,997	
Gasoline	126,627	
Law Enforcement Supplies	245,947	
Office Supplies	6,221	
Tires and Tubes	7,824	
Uniforms	11,453	
Other Supplies and Materials	15,267	
Other Charges	20,374	
Communication Equipment	11,056	
Motor Vehicles	14,256	
Total Sheriff's Department		$ 2,624,254

Jail

Guards	$ 712,823	
Cafeteria Personnel	96,810	
Longevity Pay	2,950	
Social Security	60,222	
Pensions	46,669	
Medical Insurance	65,454	
Unemployment Compensation	645	
Medical and Dental Services	319,856	
Other Contracted Services	33,359	
Drugs and Medical Supplies	6,462	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Food Preparation Supplies	$ 275,099	
Uniforms	8,626	
Other Supplies and Materials	69,184	
Other Charges	101,838	
Total Jail		$ 1,799,997

Fire Prevention and Control

Contracts with Government Agencies	$ 1,500	
Total Fire Prevention and Control		1,500

Civil Defense

Supervisor/Director	$ 11,763	
Social Security	900	
Unemployment Compensation	23	
Communication	3,125	
Maintenance and Repair Services - Equipment	1,490	
Maintenance and Repair Services - Office Equipment	3,117	
Maintenance and Repair Services - Vehicles	3,132	
Printing, Stationery, and Forms	228	
Gasoline	890	
Office Supplies	339	
Communication Equipment	9,191	
Other Equipment	18,632	
Total Civil Defense		52,830

Other Emergency Management

Contributions	$ 252,000	
Data Processing Services	2,000	
Lease/SBITA Payments	3,600	
Communication Equipment	1,418	
Total Other Emergency Management		259,018

Inspection and Regulation

Supervisor/Director	$ 3,804	
Social Security	291	
Unemployment Compensation	1	
Total Inspection and Regulation		4,096

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare		
Local Health Center		
Longevity Pay	$ 350	
Other Salaries and Wages	81,590	
Social Security	6,015	
Pensions	4,444	
Medical Insurance	10,968	
Unemployment Compensation	52	
Communication	3,932	
Dues and Memberships	375	
Maintenance Agreements	14,487	
Maintenance and Repair Services - Buildings	2,573	
Travel	6,265	
Drugs and Medical Supplies	317	
Office Supplies	8	
Utilities	13,883	
Other Charges	241,224	
Building Construction	70,287	
Total Local Health Center		$ 456,770
Ambulance/Emergency Medical Services		
Supervisor/Director	$ 64,112	
Medical Personnel	1,336,829	
Paraprofessionals	6,000	
Longevity Pay	2,750	
Other Salaries and Wages	37,656	
Board and Committee Members Fees	250	
In-service Training	3,145	
Social Security	107,216	
Pensions	81,524	
Medical Insurance	83,468	
Unemployment Compensation	910	
Debt Collection Services	75,024	
Licenses	3,688	
Maintenance Agreements	10,846	
Maintenance and Repair Services - Vehicles	29,631	
Pest Control	3,456	
Postal Charges	367	

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Ambulance/Emergency Medical Services (Cont.)		
Printing, Stationery, and Forms	$ 639	
Rentals	7,200	
Travel	177	
Diesel Fuel	72,094	
Drugs and Medical Supplies	81,289	
Electricity	15,078	
Office Supplies	2,487	
Tires and Tubes	1,676	
Uniforms	5,649	
Water and Sewer	2,597	
Other Supplies and Materials	2,868	
Other Charges	19,820	
Building Improvements	6,573	
Communication Equipment	2,775	
Data Processing Equipment	2,112	
Motor Vehicles	47,095	
Health Equipment	10,449	
Total Ambulance/Emergency Medical Services		$ 2,127,450
Appropriation to State		
Contracts with Government Agencies	$ 22,200	
Total Appropriation to State		22,200
General Welfare Assistance		
Contributions	$ 7,000	
Other Charges	53,646	
Total General Welfare Assistance		60,646
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Supervisor/Director	$ 35,146	
Longevity Pay	350	
Other Salaries and Wages	4,875	
Social Security	3,014	
Pensions	2,126	
Unemployment Compensation	34	

(Continued)

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

General Fund (Cont.)			
Social, Cultural, and Recreational Services (Cont.)			
Senior Citizens Assistance (Cont.)			
Communication	$ 1,346		
Contributions	29,340		
Travel	5,894		
Other Charges	60		
Office Equipment	155		
Total Senior Citizens Assistance		$	82,340
Libraries			
Assistant(s)	$ 16,233		
Librarians	93,953		
Longevity Pay	2,400		
Social Security	8,268		
Pensions	5,771		
Medical Insurance	16,452		
Unemployment Compensation	115		
Communication	6,843		
Data Processing Services	3,167		
Maintenance and Repair Services - Buildings	1,498		
Maintenance and Repair Services - Office Equipment	1,967		
Postal Charges	488		
Travel	63		
Electricity	8,633		
Library Books/Media	14,474		
Office Supplies	1,878		
Periodicals	642		
Water and Sewer	408		
Other Supplies and Materials	881		
Other Charges	21,211		
Total Libraries			205,345
Agriculture and Natural Resources			
Agricultural Extension Service			
Salary Supplements	$ 65,537		
Custodial Personnel	1		
Communication	1,895		
Dues and Memberships	285		

(Continued)

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

General Fund (Cont.)			
Agriculture and Natural Resources (Cont.)			
Agricultural Extension Service (Cont.)			
Maintenance Agreements	$ 1,173		
Pest Control	296		
Travel	3,100		
Utilities	4,639		
Water and Sewer	582		
Total Agricultural Extension Service		$	77,508
Soil Conservation			
Supervisor/Director	$ 33,606		
Secretary(ies)	27,921		
Longevity Pay	1,200		
Other Salaries and Wages	26,876		
Social Security	6,807		
Pensions	5,391		
Unemployment Compensation	63		
Contributions	5,500		
Maintenance Agreements	343		
Rentals	4,200		
Gasoline	361		
Other Supplies and Materials	1,100		
Other Charges	375		
Office Equipment	600		
Total Soil Conservation			114,343
Other Operations			
Tourism			
Contributions	$ 25,399		
Other Construction	18,343		
Total Tourism			43,742
Industrial Development			
Other Salaries and Wages	$ 48,417		
Social Security	3,691		
Pensions	1,611		
Unemployment Compensation	42		
Postal Charges	200		

(Continued)

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

General Fund (Cont.)		
Other Operations (Cont.)		
Industrial Development (Cont.)		
Other Contracted Services	$ 3,166	
Electricity	19,015	
Water and Sewer	1,344	
Other Supplies and Materials	20,006	
Other Construction	350	
Total Industrial Development		$ 97,842
Other Economic and Community Development		
Other Equipment	$ 4,200	
Other Construction	247,549	
Total Other Economic and Community Development		251,749
Veterans' Services		
Supervisor/Director	$ 11,358	
Social Security	869	
Unemployment Compensation	34	
Contributions	985	
Travel	3,554	
Office Supplies	1,943	
Office Equipment	1,012	
Total Veterans' Services		19,755
Other Charges		
Other Contracted Services	$ 4,783	
Building and Contents Insurance	116,773	
Liability Insurance	85,799	
Trustee's Commission	188,581	
Vehicle and Equipment Insurance	74,013	
Workers' Compensation Insurance	103,399	
Total Other Charges		573,348
Contributions to Other Agencies		
Contributions	$ 3,775	
Total Contributions to Other Agencies		3,775

(Continued)

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

General Fund (Cont.)			
Other Operations (Cont.)			
Miscellaneous			
Audit Services	$ 14,227		
Contributions	154,000		
Legal Services	4,340		
Pauper Burials	1,710		
Premiums on Corporate Surety Bonds	1,000		
Other Charges	37,663		
Total Miscellaneous		$ 212,940	
Highways			
Litter and Trash Collection			
Guards	$ 46,561		
Social Security	3,485		
Pensions	2,793		
Medical Insurance	2,742		
Unemployment Compensation	38		
Gasoline	4,000		
Instructional Supplies and Materials	11,050		
Other Supplies and Materials	2,768		
Total Litter and Trash Collection		73,437	
Total General Fund			$ 12,385,425
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Maintenance and Repair Services - Buildings	$ 6,280		
Trustee's Commission	22		
Total County Buildings		$ 6,302	
Total Courthouse and Jail Maintenance Fund			6,302
Law Library Fund			
Social, Cultural, and Recreational Services			
Libraries			
Trustee's Commission	$ 13		
Total Libraries		$ 13	
Total Law Library Fund			13

(Continued)

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

Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Attendants	$ 307,936		
Longevity Pay	1,000		
Social Security	23,370		
Pensions	8,560		
Medical Insurance	16,452		
Unemployment Compensation	449		
Communication	1,978		
Maintenance and Repair Services - Vehicles	6,017		
Disposal Fees	644,919		
Asphalt - Hot Mix	54,102		
Diesel Fuel	10,806		
Lubricants	240		
Tires and Tubes	1,413		
Utilities	12,875		
Other Supplies and Materials	5,789		
Liability Insurance	27,206		
Trustee's Commission	22,414		
Vehicle and Equipment Insurance	11,614		
Workers' Compensation Insurance	18,861		
Motor Vehicles	6,919		
Other Construction	17,928		
Total Sanitation Management		$ 1,200,848	
Postclosure Care Costs			
Other Contracted Services	$ 1,000		
Testing	13,245		
Total Postclosure Care Costs		14,245	
Total Solid Waste/Sanitation Fund			$ 1,215,093
Drug Control Fund			
Public Safety			
Drug Enforcement			
Other Supplies and Materials	$ 1,000		
Trustee's Commission	64		
Total Drug Enforcement		$ 1,064	
Total Drug Control Fund			1,064

(Continued)

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

Sports and Recreation Fund			
Social, Cultural, and Recreational Services			
Parks and Fair Boards			
Supervisor/Director	$ 38,747		
Salary Supplements	1,200		
Clerical Personnel	12,481		
Custodial Personnel	39,331		
Longevity Pay	1,250		
Social Security	7,065		
Pensions	4,999		
Medical Insurance	5,632		
Unemployment Compensation	127		
Communication	2,643		
Contributions	15,710		
Legal Notices, Recording, and Court Costs	100		
Maintenance and Repair Services - Equipment	1,762		
Postal Charges	209		
Other Contracted Services	240		
Electricity	22,737		
Gasoline	4,258		
Office Supplies	758		
Other Supplies and Materials	2,054		
Trustee's Commission	4,119		
Vehicle and Equipment Insurance	14,558		
Other Charges	22,035		
Maintenance Equipment	1,539		
Other Construction	46,622		
Total Parks and Fair Boards		$ 250,176	
Total Sports and Recreation Fund			$ 250,176
Other General Government Fund			
Other Operations			
American Rescue Plan Act Grant #1			
Maintenance Personnel	$ 6,491		
Social Security	497		
Unemployment Compensation	19		
Building Improvements	57,234		
Total American Rescue Plan Act Grant #1		$ 64,241	

(Continued)

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

Other General Government Fund (Cont.)			
Other Operations (Cont.)			
American Rescue Plan Act Grant #3			
Other Construction	$ 5,570		
Total American Rescue Plan Act Grant #3		$ 5,570	
American Rescue Plan Act Grant #6			
Office Equipment	$ 2,944		
Total American Rescue Plan Act Grant #6		2,944	
American Rescue Plan Act Grant #8			
Motor Vehicles	$ 365,953		
Total American Rescue Plan Act Grant #8		365,953	
American Rescue Plan Act Grant #9			
Other Equipment	$ 16,467		
Total American Rescue Plan Act Grant #9		16,467	
American Rescue Plan Act Grant #10			
Matching Share	$ 800		
Total American Rescue Plan Act Grant #10		800	
Total Other General Government Fund			$ 455,975
Other Special Revenue Fund			
Public Health and Welfare			
Alcohol and Drug Programs			
Other Contracted Services	$ 100,000		
Software	595		
Total Alcohol and Drug Programs		$ 100,595	
Total Other Special Revenue Fund			100,595
Constitutional Officers - Fees Fund			
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 229,203		
Total County Trustee's Office		$ 229,203	

(Continued)

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

Constitutional Officers - Fees Fund (Cont.)			
Administration of Justice			
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 32,010		
Total Chancery Court		$ 32,010	
Total Constitutional Officers - Fees Fund			$ 261,213
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 104,776		
Accountants/Bookkeepers	44,179		
Salary Supplements	2,000		
Secretary(ies)	17,710		
Social Security	12,779		
Pensions	9,057		
Life Insurance	43		
Medical Insurance	5,714		
Unemployment Compensation	420		
Data Processing Services	12,013		
Legal Notices, Recording, and Court Costs	180		
Postal Charges	934		
Travel	1,423		
Office Supplies	1,045		
Other Charges	5,429		
Total Administration		$ 217,702	
Highway and Bridge Maintenance			
Salary Supplements	$ 8,800		
Foremen	125,366		
Equipment Operators	215,389		
Truck Drivers	229,506		
Laborers	339,439		
Social Security	69,207		
Pensions	52,683		
Life Insurance	480		
Medical Insurance	96,965		
Unemployment Compensation	5,240		

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)			
Rentals	$ 5,721		
Asphalt - Cold Mix	3,835		
Asphalt - Hot Mix	414,955		
Crushed Stone	28,353		
Pipe - Metal	3,390		
Road Signs	965		
Other Supplies and Materials	2,987		
Other Charges	10,859		
Total Highway and Bridge Maintenance		$	1,614,140
Operation and Maintenance of Equipment			
Salary Supplements	$ 250		
Mechanic(s)	88,208		
Nightwatchmen	17,372		
Social Security	7,940		
Pensions	5,307		
Life Insurance	43		
Medical Insurance	5,520		
Unemployment Compensation	630		
Maintenance and Repair Services - Equipment	17,178		
Diesel Fuel	48,842		
Electricity	5,659		
Equipment and Machinery Parts	76,814		
Gasoline	55,679		
Lubricants	7,704		
Small Tools	1,157		
Tires and Tubes	14,474		
Other Supplies and Materials	3,718		
Total Operation and Maintenance of Equipment			356,495
Other Charges			
Communication	$ 6,550		
Custodial Supplies	9		
Electricity	2,237		
Water and Sewer	640		
Trustee's Commission	37,347		

(Continued)

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Other Charges (Cont.)			
Vehicle and Equipment Insurance	$ 160,136		
Workers' Compensation Insurance	106,898		
Other Self-insured Claims	2,000		
Total Other Charges		$ 315,817	
Capital Outlay			
Building Improvements	$ 4,675		
Highway Equipment	140,077		
State Aid Projects	677,795		
Total Capital Outlay		822,547	
Total Highway/Public Works Fund			$ 3,326,701
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 171,500		
Total General Government		$ 171,500	
Education			
Principal on Bonds	$ 1,353,500		
Principal on Other Loans	111,024		
Total Education		1,464,524	
Interest on Debt			
General Government			
Interest on Bonds	$ 70,958		
Total General Government		70,958	
Education			
Interest on Bonds	$ 271,242		
Interest on Other Loans	12,048		
Total Education		283,290	
Other Debt Service			
General Government			
Trustee's Commission	$ 30,138		
Other Debt Service	3,500		
Total General Government		33,638	
Total General Debt Service Fund			$ 2,023,910
Total Governmental Funds - Primary Government			$ 20,026,467

GRAINGER COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Grainger County School Department
For the Year Ended June 30, 2025

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 9,722,277	
Career Ladder Program	26,270	
Homebound Teachers	13,555	
Educational Assistants	337,810	
Bonus Payments	145,666	
Other Salaries and Wages	590,507	
Social Security	620,235	
Pensions	714,662	
Life Insurance	3,926	
Medical Insurance	1,890,202	
Unemployment Compensation	2,150	
Employer Medicare	146,236	
Retirement - Hybrid Stabilization	1,571	
Contracts for Substitute Teachers - Certified	51,652	
Contracts for Substitute Teachers - Non-certified	291,964	
Other Contracted Services	6,085	
Instructional Supplies and Materials	140,189	
Textbooks - Bound	453,066	
Other Supplies and Materials	7,566	
TISA - On-behalf Payments	44,625	
Other Charges	155,931	
Regular Instruction Equipment	32,221	
Total Regular Instruction Program		$ 15,398,366
Alternative Instruction Program		
Teachers	$ 54,830	
Social Security	3,399	
Pensions	3,487	
Life Insurance	22	
Medical Insurance	4,284	
Employer Medicare	795	
Other Supplies and Materials	9,360	
Total Alternative Instruction Program		76,177

(Continued)

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

General Purpose School Fund (Cont.)
Instruction (Cont.)
Special Education Program

Teachers	$ 1,079,748	
Career Ladder Program	2,000	
Homebound Teachers	29,000	
Educational Assistants	347,243	
Speech Pathologist	68,675	
Bonus Payments	44,100	
Other Salaries and Wages	159,789	
Social Security	95,857	
Pensions	125,569	
Life Insurance	516	
Medical Insurance	251,070	
Employer Medicare	23,160	
Contracts with Private Agencies	199,904	
Contracts for Substitute Teachers - Certified	5,860	
Contracts for Substitute Teachers - Non-certified	130,067	
Other Contracted Services	63,226	
Instructional Supplies and Materials	7,184	
Other Supplies and Materials	6,705	
TISA - On-behalf Payments	37,101	
Other Charges	528	
Special Education Equipment	6,997	
Total Special Education Program		$ 2,684,299

Career and Technical Education Program

Teachers	$ 896,159
Other Salaries and Wages	31,062
Social Security	53,543
Pensions	62,134
Life Insurance	337
Medical Insurance	155,833
Employer Medicare	12,522
Contracts for Substitute Teachers - Certified	9,000
Contracts for Substitute Teachers - Non-certified	12,000
Instructional Supplies and Materials	29,414
Software	190,650

(Continued)

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Career and Technical Education Program (Cont.)		
Other Supplies and Materials	$ 14,184	
Other Charges	2,863	
Vocational Instruction Equipment	17,609	
Total Career and Technical Education Program		$ 1,487,310
Student Body Education Program		
Instructional Supplies and Materials	$ 28,870	
Total Student Body Education Program		28,870
Adult Education Program		
Teachers	$ 54,490	
Social Security	2,909	
Pensions	3,465	
Life Insurance	22	
Medical Insurance	12,982	
Employer Medicare	680	
Total Adult Education Program		74,548
Support Services		
Attendance		
Supervisor/Director	$ 6,727	
Social Security	417	
Pensions	428	
Employer Medicare	98	
Total Attendance		7,670
Health Services		
Supervisor/Director	$ 60,565	
Medical Personnel	331,855	
Other Salaries and Wages	40,600	
Social Security	24,257	
Pensions	27,113	
Life Insurance	181	
Medical Insurance	81,844	
Employer Medicare	5,673	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Health Services (Cont.)		
Travel	$ 1,694	
Drugs and Medical Supplies	579	
Other Charges	761	
Total Health Services		$ 575,122
Other Student Support		
Career Ladder Program	$ 2,000	
Guidance Personnel	515,765	
Other Salaries and Wages	31,945	
Social Security	30,373	
Pensions	35,994	
Life Insurance	202	
Medical Insurance	90,699	
Employer Medicare	7,103	
Evaluation and Testing	27,100	
Travel	716	
Other Supplies and Materials	60,204	
Other Equipment	12,096	
Total Other Student Support		814,197
Regular Instruction Program		
Supervisor/Director	$ 385,146	
Career Ladder Program	4,000	
Librarians	265,409	
Other Salaries and Wages	7,131	
Social Security	39,805	
Pensions	43,568	
Life Insurance	202	
Medical Insurance	70,201	
Employer Medicare	9,309	
Travel	23,964	
Library Books/Media	3,997	
Other Supplies and Materials	14,513	
Indirect Cost	1,634	
In Service/Staff Development	7,705	
Other Charges	109,799	
Total Regular Instruction Program		986,383

(Continued)

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Special Education Program			
Supervisor/Director	$ 74,565		
Career Ladder Program	1,000		
Psychological Personnel	59,796		
Bonus Payments	4,050		
Other Salaries and Wages	87,315		
Social Security	13,610		
Pensions	16,190		
Life Insurance	68		
Medical Insurance	17,882		
Employer Medicare	3,183		
Communication	3,301		
Contracts with Private Agencies	228,644		
Lease/SBITA Payments	3,490		
Maintenance and Repair Services - Equipment	782		
Postal Charges	413		
Travel	5,457		
Other Supplies and Materials	36		
In Service/Staff Development	9,649		
Other Charges	15,715		
Total Special Education Program		$	545,146
Career and Technical Education Program			
Supervisor/Director	$ 45,718		
Social Security	2,717		
Pensions	2,908		
Life Insurance	10		
Medical Insurance	4,682		
Employer Medicare	635		
Travel	2,169		
Other Supplies and Materials	6,170		
In Service/Staff Development	5,699		
Other Charges	1,790		
Total Career and Technical Education Program			72,498

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Technology		
Other Salaries and Wages	$ 117,257	
Social Security	6,811	
Pensions	7,005	
Medical Insurance	10,868	
Employer Medicare	1,593	
Maintenance and Repair Services - Equipment	25,863	
Internet Connectivity	268,531	
Other Contracted Services	9,600	
Other Supplies and Materials	6,598	
Other Charges	9,482	
Other Equipment	105,704	
Total Technology		$ 569,312
Other Programs		
On-behalf Payments to OPEB	$ 147,839	
Total Other Programs		147,839
Board of Education		
Other Salaries and Wages	$ 47,779	
Board and Committee Members Fees	25,750	
Social Security	4,521	
Pensions	4,112	
Employer Medicare	1,065	
Audit Services	17,800	
Dues and Memberships	22,831	
Legal Services	21,511	
Travel	17,182	
Liability Insurance	132,000	
Premiums on Corporate Surety Bonds	4,840	
Trustee's Commission	97,145	
Workers' Compensation Insurance	151,800	
Other Charges	4,293	
Total Board of Education		552,629

(Continued)

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Director of Schools			
County Official/Administrative Officer	$ 110,500		
Supervisor/Director	8,014		
Secretary(ies)	104,060		
Overtime Pay	2,530		
Other Salaries and Wages	83,308		
Social Security	16,573		
Pensions	16,583		
Life Insurance	24		
Medical Insurance	10,954		
Employer Medicare	4,380		
Communication	23,187		
Dues and Memberships	2,470		
Postal Charges	3,604		
Travel	2,890		
Other Contracted Services	15,072		
Office Supplies	9,999		
In Service/Staff Development	14,065		
Other Charges	5,941		
Total Director of Schools		$	434,154
Office of the Principal			
Principals	$ 571,214		
Career Ladder Program	2,000		
Assistant Principals	487,263		
Secretary(ies)	284,586		
Other Salaries and Wages	152,289		
Social Security	78,572		
Pensions	87,895		
Life Insurance	308		
Medical Insurance	198,947		
Employer Medicare	20,176		
Communication	27,000		
Other Contracted Services	55,206		
Other Charges	113,458		
Total Office of the Principal			2,078,914

(Continued)

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

General Purpose School Fund (Cont.)			
Support Services (Cont.)			
Operation of Plant			
Custodial Personnel	$ 563,432		
Overtime Pay	2,394		
Other Salaries and Wages	28,763		
Social Security	31,262		
Pensions	31,353		
Medical Insurance	59,985		
Employer Medicare	7,312		
Other Contracted Services	13,000		
Custodial Supplies	73,795		
Electricity	890,696		
Natural Gas	32,299		
Water and Sewer	73,456		
Other Supplies and Materials	18,800		
Building and Contents Insurance	132,000		
Total Operation of Plant		$	1,958,547
Maintenance of Plant			
Supervisor/Director	$ 80,528		
Other Salaries and Wages	423,619		
Social Security	30,164		
Pensions	30,363		
Life Insurance	29		
Medical Insurance	38,926		
Employer Medicare	7,097		
Maintenance and Repair Services - Buildings	411,256		
Other Contracted Services	31,943		
Other Supplies and Materials	21,725		
Other Charges	122,048		
Maintenance Equipment	10,689		
Total Maintenance of Plant			1,208,387
Transportation			
Supervisor/Director	$ 800		
Bus Drivers	380,151		
Other Salaries and Wages	62,818		

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Transportation (Cont.)		
Social Security	$ 26,096	
Pensions	22,807	
Employer Medicare	6,114	
Contracts with Parents	37,606	
Contracts with Vehicle Owners	734,486	
Maintenance and Repair Services - Vehicles	88,527	
Medical and Dental Services	8,422	
Travel	528	
Other Contracted Services	575	
Diesel Fuel	126,026	
Gasoline	35,610	
Lubricants	6,961	
Tires and Tubes	14,651	
Vehicle and Equipment Insurance	92,400	
Other Charges	13,630	
Transportation Equipment	480,919	
Total Transportation		$ 2,139,127
Operation of Non-Instructional Services		
Food Service		
Supervisor/Director	$ 400	
Accountants/Bookkeepers	800	
Cafeteria Personnel	15,400	
Social Security	1,042	
Pensions	1,009	
Employer Medicare	244	
Food Supplies	1,134	
Total Food Service		20,029
Community Services		
Other Salaries and Wages	$ 25,064	
Social Security	1,547	
Pensions	1,504	
Medical Insurance	5,484	
Employer Medicare	362	

(Continued)

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Community Services (Cont.)			
Travel	$ 96		
Other Supplies and Materials	36		
Total Community Services		$ 34,093	
Early Childhood Education			
Supervisor/Director	$ 12,645		
Teachers	231,040		
Educational Assistants	95,642		
Social Security	18,846		
Pensions	22,718		
Life Insurance	89		
Medical Insurance	31,833		
Employer Medicare	4,407		
Travel	1,270		
Other Supplies and Materials	13,161		
In Service/Staff Development	1,130		
Total Early Childhood Education		432,781	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 63,404		
Building Improvements	95,006		
Other Capital Outlay	66,248		
Total Regular Capital Outlay		224,658	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 823,072		
Total Education		823,072	
Total General Purpose School Fund			$ 33,374,128

(Continued)

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

School Federal Projects Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 374,436	
Educational Assistants	400,998	
Bonus Payments	18,150	
Social Security	43,270	
Pensions	50,081	
Life Insurance	160	
Medical Insurance	70,827	
Employer Medicare	10,120	
Tuition	1,938	
Contracts for Substitute Teachers - Certified	1,425	
Contracts for Substitute Teachers - Non-certified	16,398	
Instructional Supplies and Materials	181,302	
Other Supplies and Materials	2,315	
Regular Instruction Equipment	306,824	
Total Regular Instruction Program		$ 1,478,244
Special Education Program		
Teachers	$ 52,669	
Homebound Teachers	4,561	
Educational Assistants	386,692	
Speech Pathologist	62,300	
Bonus Payments	3,375	
Other Salaries and Wages	23,630	
Social Security	30,365	
Pensions	32,593	
Life Insurance	46	
Medical Insurance	16,609	
Employer Medicare	7,237	
Contracts with Private Agencies	135,487	
Contracts for Substitute Teachers - Certified	362	
Contracts for Substitute Teachers - Non-certified	21,802	
Instructional Supplies and Materials	5,961	
Other Supplies and Materials	5,013	
Other Charges	9,991	
Special Education Equipment	16,942	
Total Special Education Program		815,635

(Continued)

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

School Federal Projects Fund (Cont.)			
Instruction (Cont.)			
Career and Technical Education Program			
Teachers	$ 38,673		
Other Salaries and Wages	3,000		
Social Security	2,391		
Pensions	2,650		
Life Insurance	15		
Medical Insurance	6,131		
Employer Medicare	559		
Instructional Supplies and Materials	4,100		
Software	14,700		
Other Supplies and Materials	14,759		
Vocational Instruction Equipment	17,300		
Total Career and Technical Education Program		$	104,278
Support Services			
Other Student Support			
Other Salaries and Wages	$ 2,675		
Social Security	166		
Pensions	144		
Employer Medicare	39		
In Service/Staff Development	6,500		
Other Charges	13,129		
Total Other Student Support			22,653
Regular Instruction Program			
Supervisor/Director	$ 94,689		
Clerical Personnel	34,897		
Bonus Payments	1,900		
Social Security	7,653		
Pensions	8,235		
Life Insurance	23		
Medical Insurance	19,010		
Employer Medicare	1,790		
Travel	1,044		
Other Contracted Services	33,000		
Library Books/Media	14,380		

(Continued)

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program (Cont.)		
Other Supplies and Materials	$ 15,506	
In Service/Staff Development	18,638	
Total Regular Instruction Program		$ 250,765
Special Education Program		
Other Salaries and Wages	$ 632	
Social Security	39	
Pensions	40	
Employer Medicare	9	
Contracts with Private Agencies	263,536	
Other Supplies and Materials	2,226	
In Service/Staff Development	51,005	
Other Charges	532	
Other Equipment	22,769	
Total Special Education Program		340,788
Career and Technical Education Program		
In Service/Staff Development	$ 1,000	
Total Career and Technical Education Program		1,000
Technology		
Internet Connectivity	$ 348,616	
Total Technology		348,616
Operation of Plant		
Custodial Supplies	$ 53,654	
Other Supplies and Materials	1,352	
Plant Operation Equipment	193,788	
Total Operation of Plant		248,794
Transportation		
Bus Drivers	$ 80,176	
Other Salaries and Wages	1,462	
Social Security	3,889	
Pensions	4,078	
Employer Medicare	1,107	
Contracts with Parents	432	
Transportation Equipment	280,738	
Total Transportation		371,882

(Continued)

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

Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 72,955		
Total Regular Capital Outlay		$ 72,955	
Total School Federal Projects Fund			$ 4,055,610
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 79,362		
Clerical Personnel	53,161		
Cafeteria Personnel	788,892		
Bonus Payments	20,750		
Other Salaries and Wages	4,300		
Social Security	54,742		
Pensions	56,042		
Life Insurance	23		
Medical Insurance	69,910		
Employer Medicare	12,803		
Communication	7,457		
Maintenance and Repair Services - Equipment	32,798		
Travel	2,749		
Other Contracted Services	28,756		
Food Preparation Supplies	86,557		
Food Supplies	967,429		
USDA - Commodities	163,831		
In Service/Staff Development	21,695		
Other Charges	33,148		
Food Service Equipment	109,092		
Total Food Service		2,593,497	
Total Central Cafeteria Fund			2,593,497
Internal School Fund			
Operation of Non-Instructional Services			
Community Services			
Other Charges	$ 1,723,832		
Total Community Services		1,723,832	
Total Internal School Fund			1,723,832
Total Governmental Funds - Grainger County School Department			$ 41,747,067

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*

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grainger County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Grainger County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 7, 2025. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Grainger County School Department, as described in our report on Grainger 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 that auditor.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grainger 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 Grainger County's internal control. Accordingly, we do not express an opinion on the effectiveness of Grainger County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grainger County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2025-001.

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 Grainger 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

November 7, 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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grainger 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 Grainger County's major federal programs for the year ended June 30, 2025. Grainger 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, Grainger 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, 2025.

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 (*Government Auditing Standards*) issued by the Comptroller General of the United States; 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 Grainger 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 Grainger 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 Grainger County's federal programs.

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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 Grainger 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 Grainger 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 Grainger 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 Grainger 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 Grainger 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 Grainger County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Grainger County's basic financial statements. We issued our report thereon dated November 7, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 7, 2025

JEM/gc

GRAINGER COUNTY, TENNESSEE, AND THE GRAINGER COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (10)
For the Year-Ended June 30, 2025

Federal/Pass-Through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Direct Program:				
Emergency Watershed Protection Program	10.923	N/A	$ 0	$ 12,570
Passed-through State Department of Education:				
Local Food for Schools Grant	10.185	N/A	0	7,440
Child Nutrition Cluster: (5)				
School Breakfast Program	10.553	N/A	0	518,773
National School Lunch Program	10.555	N/A	0	1,438,299 (4)
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (5)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	163,831 (4)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-25-84038 (8)	0	14,840
Total U.S. Department of Agriculture				$ 2,155,753
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	(6)	0	$ 54,659
Total U.S. Department of Housing and Urban Development				$ 54,659
U.S. Department of Justice:				
Direct Program:				
Crime Victim Assistance	16.575	N/A	0	$ 52,858
Total U.S. Department of Justice				$ 52,858
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Alcohol Open Container Requirements	20.607	Z-25-THS119	0	$ 6,772
Total U.S. Department of Transportation				$ 6,772
U.S. Department of the Treasury:				
Passed-through State Department of Environment and Conservation:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(3)	0	$ 465,667 (4)
Passed-through State Department of Health:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(3)	0	15,047 (4)
Passed-through State Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	44,837 (4)
Total U.S. Department of the Treasury				$ 525,551
Appalachian Regional Commission:				
Passed-through State Department of Economic and Community Development:				
Appalachian Area Development	23.001	(3)	0	$ 5,631
Total Appalachian Regional Commission				$ 5,631

(Continued)

GRAINGER COUNTY, TENNESSEE, AND THE GRAINGER COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (10) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Education:				
Passed-through State Department of Human Services:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(3)	$ 0	$ 9,376
Passed-through State Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	N/A	(9) 23,707	1,078,860
Special Education Cluster (IDEA): (5)				
Special Education - Grants to States	84.027	N/A	0	1,088,449
Special Education - Preschool Grants	84.173	N/A	0	190,596
Career and Technical Education - Basic Grants to States	84.048	N/A	0	124,908
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	0	200,890
Rural Education	84.358	N/A	0	131,410
Supporting Effective Instruction State Grant	84.367	N/A	0	139,889
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	0	1,328,601 (4)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary ARP Homeless 2.0 (ESSER ARP)	84.425W	N/A	0	1,352 (4)
Total U.S. Department of Education				$ 4,294,331
U.S. Department of Health and Human Services:				
Passed-through East Tennessee Human Resource Agency:				
Aging Cluster: (5)				
COVID 19 - Special Program for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	0	$ 21,244
Passed-through State Department of Health:				
COVID 19 - Immunization Cooperative Agreements (ARP)	93.268	GG-24-80631 (8)	0	21,352
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Disease (ARP)	93.323	GG-24-80631 (8)	0	238,384
Sexually Transmitted Disease Prevention and Control Grant	93.977	GG-25-84038 (8)	0	3,428
Medicaid Cluster: (5)				
Medical Assistance Program	93.778	GG-25-84038 (8)	0	12,665
Maternal and Child Health Services Block Grants to States	93.994	GG-25-84038 (8)	0	3,965
Total U.S. Department of Health and Human Services				$ 301,038
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Homeland Security Grant Program	97.067	(7)	0	$ 17,706
Total U.S. Department of Homeland Security				$ 17,706
Total Expenditures of Federal Grants				$ 7,414,299

(Continued)

Schedule of Expenditures of Federal Awards and State Grants (1) (2) (10) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Assistance Listing Number	Contract Number	Expenditures
State Grants			
Health Department Programs - State Department of Health	N/A	GG-25-84038 (8)	$ 82,611
Litter Program - State Department of Transportation	N/A	(3)	23,454
Emergency Management Indigency Fund- State Department of Health	N/A	(3)	3,024
Special Programs for the Aging - East Tennessee Human Resource Agency	N/A	(3)	5,020
Special Education Grant- State Department of Education	N/A	(3)	66,101
Voluntary Preschool Grant- State Department of Education	N/A	(3)	432,782
Voluntary School to Work- State Department of Education	N/A	(3)	89,684
Safe Schools Act Grant - State Department of Education	N/A	(3)	516,281
Public Schools Safety Grant- State Department of Education	N/A	(3)	41,879
Summer Learning Camps Transportation - State Department of Education	N/A	(3)	40,069
Summer Learning Camps - State Department of Education	N/A	(3)	237,156
Innovative School Models - State Department of Education	N/A	(3)	326,389
Convenience Center Grant - State Department of Environment and Conservation	N/A	(3)	33,680
Three Star Grant Program - State Department of Environment and Conservation	N/A	(3)	44,622
Juvenile Justice Program - State Commission on Children and Youth	N/A	(3)	13,500
Total State Grants			$ 1,956,252

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) Grainger County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) Information not available.
(4) ALN Totals: ALN 10.555, $1,602,130; ALN 21.027, $525,551; ALN 84.425, $1,329,953.
(5) Child Nutrition Cluster total $2,120,903; Special Education Cluster (IDEA) total $1,279,045; Aging Cluster total $21,244; Medicaid Cluster total $12,665.
(6) 33004-02925: $50,459; 33004-05625: $4,200.
(7) 34101-16123: $8,206; 34101-12524: $9,500.
(8) Total for GG-25-84038 is $117,509, total for GG-24-80631 is $259,736.
(9) SUBRECIPIENT AMOUNTS

The following amounts were paid to subrecipients:

Subrecipient	ALN	Amount Provided to Subrecipient
Kingswood School	84.010	$ 23,707
Total amounts provided to subrecipients		$ 23,707

(10) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title 1 Grants to Local Educational Agencies	84.010	$ 157,581
Rural Education	84.358	1,809
Supporting Effective Instruction State Grant	84.367	1,809
Total amounts consolidated for administration purposes		$ 161,199

GRAINGER COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2025

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 Grainger County, Tennessee, for the year ended June 30, 2025.

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

Prior-year Federal Awards Findings

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

GRAINGER COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Grainger County is unmodified.

2. Internal Control Over Financial Reporting:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **NONE REPORTED**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **NONE REPORTED**

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

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

7. Identification of Major Federal Programs:

   * Assistance Listing Numbers: 10.553 and 10.555 — Child Nutrition Cluster: School Breakfast Program and National School Lunch Program

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

9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, are presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is 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 DIRECTOR OF SCHOOLS

FINDING 2025-001 **THE GRAINGER COUNTY SCHOOL DEPARTMENT IS CURRENTLY UNDER INVESTIGATION**

(Noncompliance Under *Government Auditing Standards*)

An investigation involving the Grainger County School Department, by the Comptroller's Division of Investigations, is ongoing. Findings, if any, resulting from this investigation will be included in a subsequent report.

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, 2025.

GRAINGER COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2025

The audit of Grainger County did not report any findings and recommendations that required a management corrective action plan. Therefore, no management responses are 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).

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 Grainger County.

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

Grainger 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 Grainger 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.