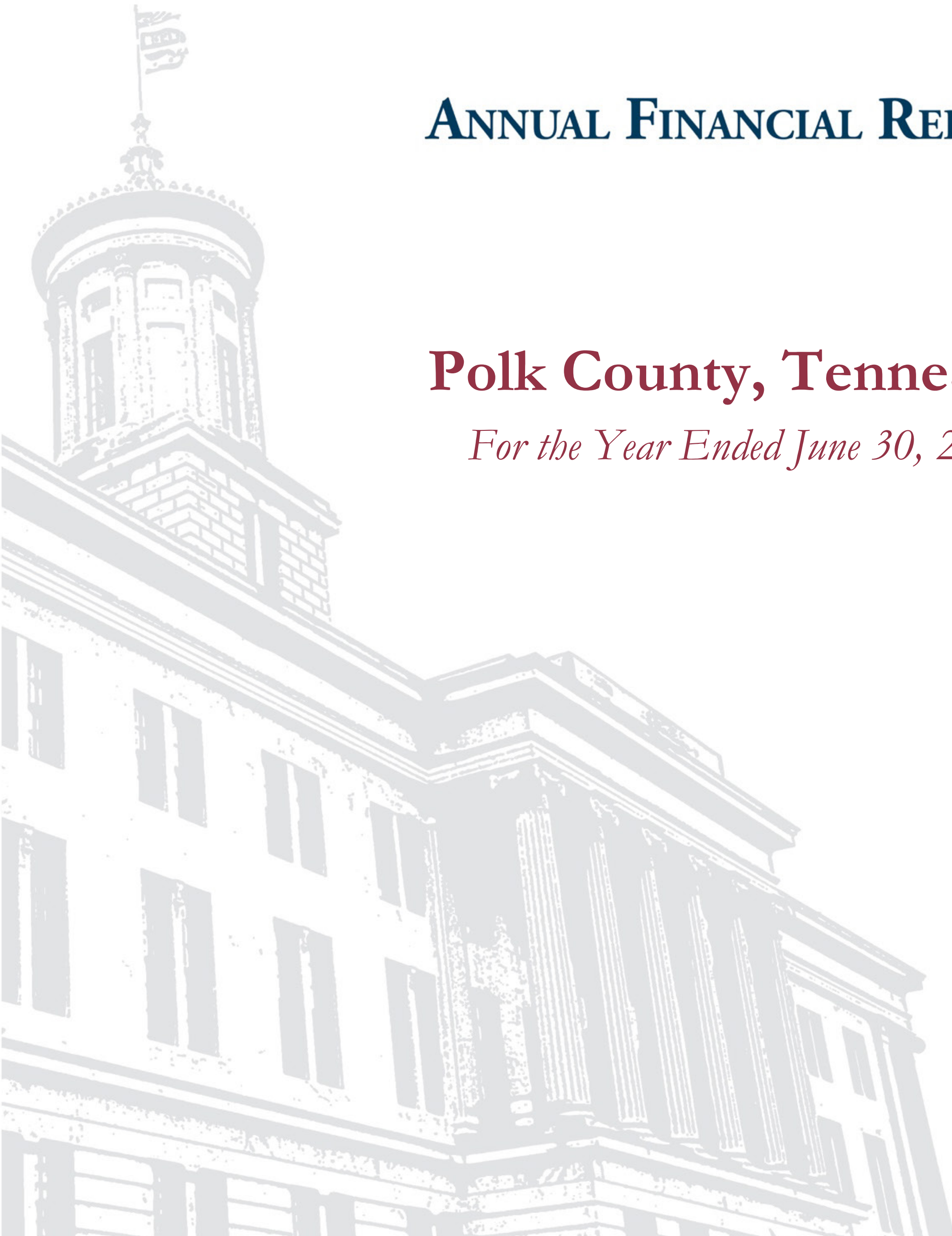
Tennessee Comptroller of the Treasury



Annual Financial Report

Polk County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower

Comptroller of the Treasury

Division of Local Government Audit

ANNUAL FINANCIAL REPORT

POLK 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

STEVE REEDER, CPA, CGFM, CFE
Audit Manager

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

POLK COUNTY, TENNESSEE
TABLE OF CONTENTS

Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in twelve findings and recommendations, which we have reviewed with Polk County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY EXECUTIVE, DIRECTOR OF ACCOUNTS AND BUDGETS, AND HIGHWAY SUPERINTENDENT

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

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

- The misdemeanor probation office did not deposit some funds within three days of collection.

OFFICE OF HIGHWAY SUPERINTENDENT

- The office did not generate its software audit logs correctly.

Tennessee Comptroller of the Treasury

OFFICE OF DIRECTOR OF SCHOOLS

- Material audit adjustments were required for proper financial statement presentation.
- Accounting records for the year ended June 30, 2025, were not closed and available for audit by August 31, 2025, and accounting records for the school department were not maintained on a timely basis.
- A revenue anticipation note was not retired in compliance with state statute.
- The School Federal Projects and Central Cafeteria funds had deficits in unassigned fund balance on June 30, 2025.
- The office had deficiencies in budget operations.
- The office had accounting deficiencies.
- General ledger payroll liability accounts were not reconciled.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- Some funds were not deposited within three days of collection.

Tennessee Comptroller of the Treasury

INTRODUCTORY SECTION

POLK COUNTY OFFICIALS

June 30, 2025

Officials

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

Board of County Commissioners

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

Board of Education

Nick Ratcliff, Chairman
Dustin Cain
Angie Crowder
David Goode
Marlena Miller
Zach Miller
Alex Pell
Hannah Price
Jill Crago Rose
Tim Worthy

Audit Committee

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

Financial Section

Jason E. Mumpower
Comptroller

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk County, Tennessee, as of and for the year ended June 30, 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 Polk 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 Polk County School Department, which represent 1.78 percent, 2.03 percent, and 3.38 percent respectively, of the assets, net position, and revenues of the discretely presented Polk County School Department as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Polk County School Department is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Polk County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Cordell Hull Building | 425 Rep. John Lewis Way N. | Nashville, Tennessee 37243

Changes in Accounting Principle

As described in Note V.B., Polk 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.10. to the financial statements, which describes a restatement to the beginning Governmental Activities net position totaling ($50,787) for the primary government and ($163,661) for the discretely presented Polk 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Polk County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Polk County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Polk County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of Polk County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Polk County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Polk County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 27, 2026

JEM/gc

Basic Financial Statements Section

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

	Primary Government Governmental Activities	Component Unit Polk County School Department
ASSETS		
Cash	$ 1,660	$ 503,421
Equity in Pooled Cash and Investments	12,291,756	4,713,074
Accounts Receivable	183,232	56,208
Due from Other Governments	1,698,389	2,167,333
Due from Component Units	3,167	0
Property Taxes Receivable	9,196,954	359,263
Allowance for Uncollectible Property Taxes	(247,605)	(9,588)
Other Current Assets	0	249
Restricted Assets - Amounts Accumulated for Pension Benefits	0	324,679
Net Pension Asset - Agent Plan	352,955	153,372
Net Pension Asset - Teacher Retirement Plan	0	112,988
Net Pension Asset - Teacher Legacy Pension Plan	0	4,409,963
Capital Assets:		
Assets Not Depreciated:		
Land	0	401,500
Construction in Progress	218,358	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	6,903,606	11,991,720
Infrastructure	3,693,074	0
Other Capital Assets	1,945,960	3,149,298
Total Assets	$ 36,241,506	$ 28,333,480
DEFERRED OUTFLOWS OF RESOURCES		
Pension Changes in Experience	$ 294,845	$ 1,313,467
Pension Changes in Assumptions	410,186	223,131
Pension Changes in Proportion	0	218,531
Pension Contributions After Measurement Date	306,716	780,336
OPEB Changes in Experience	0	196,444
OPEB Changes in Proportion	0	126,290
OPEB Changes in Assumptions	0	520,420
OPEB Contributions After Measurement Date	0	120,160
Total Deferred Outflows of Resources	$ 1,011,747	$ 3,498,779

(Continued)

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

	Primary Government Governmental Activities	Component Unit Polk County School Department
LIABILITIES		
Accounts Payable	$ 68,332	$ 32,268
Accrued Payroll	0	1,000
Payroll Deductions Payable	8,882	359,451
Accrued Interest Payable	30,045	0
Due to Primary Government	0	3,167
Due to State of Tennessee	627	0
Due to Other Governments	943,980	0
Noncurrent Liabilities:		
Due Within One Year - Debt	362,870	0
Due Within One Year - Other	43,132	191,611
Due in More Than One Year - Debt	973,851	0
Due in More Than One Year - Other	169,018	4,310,610
Total Liabilities	$ 2,600,737	$ 4,898,107
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 8,409,937	$ 303,314
Pension Changes in Experience	93,188	75,204
Pension Changes in Investment Earnings	154,246	944,963
Pension Changes in Proportion	0	120,779
OPEB Changes in Experience	0	267,642
OPEB Changes in Proportion	0	128,328
OPEB Changes in Assumptions	0	355,957
Total Deferred Inflows of Resources	$ 8,657,371	$ 2,196,187
NET POSITION		
Net Investment in Capital Assets	$ 12,760,998	$ 15,542,518
Restricted for:		
General Government	262,682	0
Finance	143,216	0
Administration of Justice	831,103	0
Public Safety	363,392	0
Public Health and Welfare	1,180,125	0
Highways/Public Works	1,515,255	0
Debt Service	1,516,110	0
Capital Projects	106,808	0
Education	0	2,588,238
Pensions	352,955	5,001,002
Unrestricted	6,962,501	1,606,207
Total Net Position	$ 25,995,145	$ 24,737,965

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Polk County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 2,780,527	$ 227,241	$ 75,565	$ 0	$ (2,477,721)	$ 0
Finance	955,819	764,285	0	0	(191,534)	0
Administration of Justice	797,777	407,737	12,170	0	(377,870)	0
Public Safety	6,313,580	1,357,338	825,062	0	(4,131,180)	0
Public Health and Welfare	3,668,685	0	204,519	901,698	(2,562,468)	0
Social, Cultural, and Recreational Services	206,212	836	708,208	0	502,832	0
Agriculture and Natural Resources	95,791	0	0	0	(95,791)	0
Highways	4,325,890	246,046	2,585,547	891,311	(602,986)	0
Education	982,735	0	0	955,179	(27,556)	0
Interest on Long-term Debt	109,667	0	0	0	(109,667)	0
Total Primary Government	$ 20,236,683	$ 3,003,483	$ 4,411,071	$ 2,748,188	$ (10,073,941)	$ 0
Component Unit:						
Polk County School Department	$ 29,661,173	$ 76,670	$ 5,932,513	$ 1,040,756	$ 0	$ (22,611,234)
Total Component Unit	$ 29,661,173	$ 76,670	$ 5,932,513	$ 1,040,756	$ 0	$ (22,611,234)

(Continued)

POLK COUNTY, TENNESSEE
Statement of Activities (Cont.)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Polk County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 7,299,613	$ 731,874
Property Taxes Levied for Debt Service					1,090,663	0
Local Option Sales Taxes					0	4,053,422
Hotel/Motel Tax					155,141	0
Litigation Tax - General					59,559	0
Litigation Tax - Jail, Workhouse, or Courthouse					35,590	0
Business Tax					107,198	0
Wholesale Beer Tax					204,466	0
Other Local Taxes					30,990	23,043
Grants and Contributions Not Restricted to Specific Programs					1,557,237	18,245,345
Unrestricted Investment Income					455,831	28,190
Miscellaneous					141,289	52,729
Sale of Equipment					15,315	6,901
Total General Revenues					$ 11,152,892	$ 23,141,504
Insurance Recovery					$ 17,440	$ 0
Change in Net Position					$ 1,096,391	$ 530,270
Net Position, July 1, 2024					24,949,541	24,371,356
Restatements - See Note I.D.10.					(50,787)	(163,661)
Net Position, June 30, 2025					$ 25,995,145	$ 24,737,965

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

POLK 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	$ 0	$ 0	$ 0	$ 0	$ 1,660	$ 1,660
Equity in Pooled Cash and Investments	7,921,686	792,699	304,948	1,424,039	1,848,384	12,291,756
Accounts Receivable	133,045	46	0	28,048	22,093	183,232
Due from Other Governments	501,297	394	1,196,638	60	0	1,698,389
Due from Other Funds	23,753	0	10,718	0	0	34,471
Due from Component Units	0	0	3,167	0	0	3,167
Property Taxes Receivable	7,820,831	1,142,025	0	234,098	0	9,196,954
Allowance for Uncollectible Property Taxes	(210,636)	(30,747)	0	(6,222)	0	(247,605)
Total Assets	$ 16,189,976	$ 1,904,417	$ 1,515,471	$ 1,680,023	$ 1,872,137	$ 23,162,024
LIABILITIES						
Accounts Payable	$ 12,947	$ 54,917	$ 216	$ 252	$ 0	$ 68,332
Payroll Deductions Payable	8,677	205	0	0	0	8,882
Due to Other Funds	10,718	0	0	0	23,753	34,471
Due to State of Tennessee	493	134	0	0	0	627
Due to Other Governments	0	0	0	0	943,980	943,980
Matured Interest on Bonds	0	0	0	5,827	0	5,827
Total Liabilities	$ 32,835	$ 55,256	$ 216	$ 6,079	$ 967,733	$ 1,062,119

(Continued)

POLK 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	$ 7,207,566	$ 1,044,537	$ 0	$ 157,834	$ 0	$ 8,409,937
Deferred Delinquent Property Taxes	381,436	63,228	0	66,349	0	511,013
Other Deferred/Unavailable Revenue	44,375	0	204,064	0	0	248,439
Total Deferred Inflows of Resources	$ 7,633,377	$ 1,107,765	$ 204,064	$ 224,183	$ 0	$ 9,169,389
FUND BALANCES						
Restricted:						
Restricted for General Government	$ 248,455	$ 0	$ 0	$ 0	$ 0	$ 248,455
Restricted for Finance	119,463	0	0	0	0	119,463
Restricted for Administration of Justice	831,103	0	0	0	0	831,103
Restricted for Public Safety	155,013	0	0	0	208,379	363,392
Restricted for Public Health and Welfare	375,501	741,396	0	0	0	1,116,897
Restricted for Other Operations	0	0	0	0	14,227	14,227
Restricted for Highways/Public Works	0	0	1,311,191	0	0	1,311,191
Restricted for Debt Service	0	0	0	1,449,761	0	1,449,761
Restricted for Capital Projects	106,808	0	0	0	0	106,808
Committed:						
Committed for General Government	0	0	0	0	579,975	579,975
Committed for Capital Outlay	0	0	0	0	101,823	101,823
Assigned:						
Assigned for General Government	9,968	0	0	0	0	9,968

(Continued)

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

	Major Funds				Nonmajor Funds	
FUND BALANCES (Cont.)	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Assigned (Cont.):						
Assigned for Finance	$ 15,033	$ 0	$ 0	$ 0	$ 0	$ 15,033
Assigned for Administration of Justice	1,795	0	0	0	0	1,795
Assigned for Public Safety	69,949	0	0	0	0	69,949
Assigned for Public Health and Welfare	477	0	0	0	0	477
Assigned for Social, Cultural, and Recreational Services	4,216	0	0	0	0	4,216
Assigned for Agriculture and Natural Resources	23,192	0	0	0	0	23,192
Assigned for Other Operations	58,705	0	0	0	0	58,705
Unassigned	6,504,086	0	0	0	0	6,504,086
Total Fund Balances	$ 8,523,764	$ 741,396	$ 1,311,191	$ 1,449,761	$ 904,404	$ 12,930,516
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 16,189,976	$ 1,904,417	$ 1,515,471	$ 1,680,023	$ 1,872,137	$ 23,162,024

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

POLK 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 assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 12,930,516
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: construction in progress	$ 218,358	
Add: buildings and improvements net of accumulated depreciation	6,903,606	
Add: infrastructure net of accumulated depreciation	3,693,074	
Add: other capital assets net of accumulated depreciation	1,945,960	12,760,998
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	$ (1,336,721)	
Less: compensated absences payable	(212,150)	
Less: accrued interest on other loans	(24,218)	(1,573,089)
(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	$ 1,011,747	
Less: deferred inflows of resources related to pensions	(247,434)	764,313
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		352,955
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		759,452
Net position of governmental activities (Exhibit A)		$ 25,995,145

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

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

	Major Funds				
	General	Solid Waste / Sanitation	*Formerly Major* Other Special Revenue	Highway / Public Works	General Debt Service
Revenues					
Local Taxes	$ 7,066,091	$ 1,085,834	$ 0	$ 0	$ 1,205,242
Licenses and Permits	97,594	0	0	0	0
Fines, Forfeitures, and Penalties	127,171	0	0	0	0
Charges for Current Services	101,396	0	0	0	0
Other Local Revenues	228,881	0	0	256,263	439,894
Fees Received From County Officials	1,068,073	0	0	0	0
State of Tennessee	3,791,001	103,374	0	3,333,809	108,475
Federal Government	80,785	0	0	63,233	0
Other Governments and Citizens Groups	58,651	0	0	0	955,179
Total Revenues	$ 12,619,643	$ 1,189,208	$ 0	$ 3,653,305	$ 2,708,790
Expenditures					
Current:					
General Government	$ 1,581,247	$ 0	$ 0	$ 0	$ 0
Finance	955,834	0	0	0	0
Administration of Justice	798,013	0	0	0	0
Public Safety	6,067,949	0	0	0	0
Public Health and Welfare	1,919,747	844,392	0	0	0
Social, Cultural, and Recreational Services	205,707	0	0	0	0
Agriculture and Natural Resources	95,791	0	0	0	0
Other Operations	1,055,294	22,847	0	0	0
Highways	0	0	0	3,923,570	0

(Continued)

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

	Major Funds				
	General	Solid Waste / Sanitation	*Formerly Major* Other Special Revenue	Highway / Public Works	General Debt Service
Expenditures (Cont.)					
Debt Service:					
Principal on Debt	$ 0	$ 0	$ 0	$ 0	$ 2,338,065
Interest on Debt	0	0	0	0	116,886
Other Debt Service	0	0	0	0	34,605
Capital Projects - Donated	0	0	0	0	0
Total Expenditures	$ 12,679,582	$ 867,239	$ 0	$ 3,923,570	$ 2,489,556
Excess (Deficiency) of Revenues Over Expenditures	$ (59,939)	$ 321,969	$ 0	$ (270,265)	$ 219,234
Other Financing Sources (Uses)					
Other Loans Issued	$ 0	$ 0	$ 0	$ 0	$ 0
Proceeds from Sale of Capital Assets	5,146	0	0	0	0
Insurance Recovery	17,440	0	0	0	0
Transfers In	1,264,002	206,000	0	0	158,867
Transfers Out	(6,000)	0	0	(152,798)	0
Total Other Financing Sources (Uses)	$ 1,280,588	$ 206,000	$ 0	$ (152,798)	$ 158,867
Net Change in Fund Balances	$ 1,220,649	$ 527,969	$ 0	$ (423,063)	$ 378,101
Change to or Within the Reporting Entity	0	0	(1,418,393)	0	0
Fund Balance, July 1, 2024	7,303,115	213,427	1,418,393	1,734,254	1,071,660
Fund Balance, June 30, 2025	$ 8,523,764	$ 741,396	$ 0	$ 1,311,191	$ 1,449,761

(Continued)

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

	Nonmajor Funds	
	Other Govern- mental Funds	Total Governmental Funds
Revenues		
Local Taxes	$ 0	$ 9,357,167
Licenses and Permits	0	97,594
Fines, Forfeitures, and Penalties	36,003	163,174
Charges for Current Services	63,626	165,022
Other Local Revenues	11,052	936,090
Fees Received From County Officials	0	1,068,073
State of Tennessee	0	7,336,659
Federal Government	917,676	1,061,694
Other Governments and Citizens Groups	63,270	1,077,100
Total Revenues	$ 1,091,627	$ 21,262,573
Expenditures		
Current:		
General Government	$ 0	$ 1,581,247
Finance	410	956,244
Administration of Justice	37	798,050
Public Safety	270,385	6,338,334
Public Health and Welfare	0	2,764,139
Social, Cultural, and Recreational Services	0	205,707
Agriculture and Natural Resources	0	95,791
Other Operations	919,628	1,997,769
Highways	0	3,923,570

(Continued)

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

	Nonmajor Funds Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)		
Debt Service:		
Principal on Debt	$ 0	$ 2,338,065
Interest on Debt	0	116,886
Other Debt Service	0	34,605
Capital Projects - Donated	977,160	977,160
Total Expenditures	$ 2,167,620	$ 22,127,567
Excess (Deficiency) of Revenues Over Expenditures	$ (1,075,993)	$ (864,994)
Other Financing Sources (Uses)		
Other Loans Issued	$ 983,229	$ 983,229
Proceeds from Sale of Capital Assets	0	5,146
Insurance Recovery	0	17,440
Transfers In	0	1,628,869
Transfers Out	(1,470,071)	(1,628,869)
Total Other Financing Sources (Uses)	$ (486,842)	$ 1,005,815
Net Change in Fund Balances	$ (1,562,835)	$ 140,821
Change to or Within the Reporting Entity	1,418,393	0
Fund Balance, July 1, 2024	1,048,846	12,789,695
Fund Balance, June 30, 2025	$ 904,404	$ 12,930,516

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

POLK COUNTY, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)			$	140,821
(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	$	671,594		
Less: current-year depreciation expense		(1,031,391)		(359,797)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.				
Less: book value of capital assets disposed				(50,300)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.				
Add: deferred delinquent property taxes and other deferred June 30, 2025	$	759,452		
Less: deferred delinquent property taxes and other deferred June 30, 2024		(706,391)		53,061
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.				
Less: other loan proceeds	$	(983,229)		
Add: principal payments on notes		150,000		
Add: principal payments on other loans		2,188,065		1,354,836
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.				
Change in accrued interest payable	$	7,219		
Change in compensated absences payable		4,375		
Change in net pension liability/asset		500,349		
Change in deferred outflows related to pensions		(456,056)		
Change in deferred inflows related to pensions		(98,117)		(42,230)
Change in net position of governmental activities (Exhibit B)			$	1,096,391

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

POLK COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 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	$ 7,066,091	$ 0	$ 0	$ 7,066,091	$ 6,697,327	$ 6,697,327	$ 368,764
Licenses and Permits	97,594	0	0	97,594	121,000	121,000	(23,406)
Fines, Forfeitures, and Penalties	127,171	0	0	127,171	104,725	104,725	22,446
Charges for Current Services	101,396	0	0	101,396	99,392	99,392	2,004
Other Local Revenues	228,881	0	0	228,881	210,000	266,346	(37,465)
Fees Received From County Officials	1,068,073	0	0	1,068,073	942,000	942,000	126,073
State of Tennessee	3,791,001	0	0	3,791,001	2,941,240	3,650,756	140,245
Federal Government	80,785	0	0	80,785	56,995	56,995	23,790
Other Governments and Citizens Groups	58,651	0	0	58,651	0	10,994	47,657
Total Revenues	$ 12,619,643	$ 0	$ 0	$ 12,619,643	$ 11,172,679	$ 11,949,535	$ 670,108
Expenditures							
General Government							
County Commission	$ 85,749	$ 0	$ 0	$ 85,749	$ 74,520	$ 85,768	$ 19
Board of Equalization	0	0	0	0	3,000	3,000	3,000
County Mayor/Executive	190,321	0	0	190,321	190,484	192,484	2,163
County Attorney	36,170	0	0	36,170	37,678	37,678	1,508
Election Commission	253,501	(145)	0	253,356	271,614	272,614	19,258
Register of Deeds	214,897	(650)	686	214,933	207,020	215,621	688
County Buildings	382,302	(17,220)	350	365,432	267,352	397,430	31,998

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	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.)							
Other General Administration	$ 418,307	$ (13,251)	$ 8,931	$ 413,987	$ 325,100	$ 441,618	$ 27,631
Finance							
Accounting and Budgeting	130,732	0	0	130,732	117,132	137,632	6,900
Property Assessor's Office	248,850	(8,215)	12,844	253,479	268,000	270,500	17,021
County Trustee's Office	264,803	(292)	994	265,505	247,834	266,544	1,039
County Clerk's Office	311,449	(838)	1,195	311,806	298,122	321,150	9,344
Administration of Justice							
Circuit Court	293,416	0	0	293,416	287,473	294,519	1,103
General Sessions Court	151,221	(703)	0	150,518	152,152	152,152	1,634
Chancery Court	226,409	0	1,700	228,109	236,838	235,492	7,383
Juvenile Court	81,992	(4,354)	95	77,733	80,789	87,585	9,852
Probation Services	44,975	0	0	44,975	45,018	45,018	43
Public Safety							
Sheriff's Department	2,487,337	(28,326)	18,453	2,477,464	2,548,169	2,678,786	201,322
Correctional Incentive Program Improvements	3,312,501	(60,650)	46,027	3,297,878	3,423,310	3,487,889	190,011
Civil Defense	96,742	(107)	45	96,680	97,337	99,837	3,157
Rescue Squad	143,404	(22,316)	3,035	124,123	126,850	131,782	7,659
Other Emergency Management	27,965	0	2,389	30,354	12,106	30,840	486

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	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 Health and Welfare							
Local Health Center	$ 59,440	$ (691)	$ 0	$ 58,749	$ 58,000	$ 66,637	$ 7,888
Ambulance/Emergency Medical Services	1,622,118	0	0	1,622,118	900,000	1,625,760	3,642
Crippled Children Services	1,250	0	0	1,250	1,250	1,250	0
Other Local Health Services	18,154	0	0	18,154	19,823	20,323	2,169
Sanitation Education/Information	60,248	(2,276)	477	58,449	59,635	61,691	3,242
Other Public Health and Welfare	158,537	0	0	158,537	222,900	222,900	64,363
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	38,299	(249)	0	38,050	22,045	38,208	158
Libraries	163,890	(3,813)	4,217	164,294	153,866	169,360	5,066
Other Social, Cultural, and Recreational	3,518	(700)	0	2,818	10,000	10,000	7,182
Agriculture and Natural Resources							
Agricultural Extension Service	72,117	(668)	23,192	94,641	93,552	95,177	536
Soil Conservation	23,674	0	0	23,674	23,674	23,674	0
Other Operations							
Other Economic and Community Development	22,441	0	0	22,441	23,225	23,225	784
Airport	654,629	(32,502)	50,000	672,127	0	685,181	13,054
Veterans' Services	35,411	0	705	36,116	35,601	36,601	485
Other Charges	160,467	0	0	160,467	140,000	158,000	(2,467)
Contributions to Other Agencies	182,346	(8,332)	8,000	182,014	90,000	183,000	986
Total Expenditures	$ 12,679,582	$ (206,298)	$ 183,335	$ 12,656,619	$ 11,171,469	$ 13,306,926	$ 650,307

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ (59,939)	$ 206,298	$ (183,335)	$ (36,976)	$ 1,210	$ (1,357,391)	$ 1,320,415
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	$ 5,146	$ 0	$ 0	$ 5,146	$ 0	$ 0	$ 5,146
Insurance Recovery	17,440	0	0	17,440	0	0	17,440
Transfers In	1,264,002	0	0	1,264,002	0	1,264,002	0
Transfers Out	(6,000)	0	0	(6,000)	0	(6,000)	0
Total Other Financing Sources	$ 1,280,588	$ 0	$ 0	$ 1,280,588	$ 0	$ 1,258,002	$ 22,586
Net Change in Fund Balance	$ 1,220,649	$ 206,298	$ (183,335)	$ 1,243,612	$ 1,210	$ (99,389)	$ 1,343,001
Fund Balance, July 1, 2024	7,303,115	(206,298)	0	7,096,817	7,061,980	7,061,980	34,837
Fund Balance, June 30, 2025	$ 8,523,764	$ 0	$ (183,335)	$ 8,340,429	$ 7,063,190	$ 6,962,591	$ 1,377,838

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

POLK COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual (Budgetary Basis) and Budget
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	$ 1,085,834	$ 0	$ 0	$ 1,085,834	$ 983,505	$ 983,505	$ 102,329
Charges for Current Services	0	0	0	0	9,840	9,840	(9,840)
State of Tennessee	103,374	0	0	103,374	80,000	80,000	23,374
Total Revenues	$ 1,189,208	$ 0	$ 0	$ 1,189,208	$ 1,073,345	$ 1,073,345	$ 115,863
Expenditures							
Public Health and Welfare							
Sanitation Management	$ 635,649	$ 0	$ 0	$ 635,649	$ 670,000	$ 670,000	$ 34,351
Convenience Centers	208,743	(7,430)	5,600	206,913	195,295	210,949	4,036
Other Operations							
Other Charges	22,847	0	0	22,847	16,000	22,500	(347)
Total Expenditures	$ 867,239	$ (7,430)	$ 5,600	$ 865,409	$ 881,295	$ 903,449	$ 38,040
Excess (Deficiency) of Revenues Over Expenditures	$ 321,969	$ 7,430	$ (5,600)	$ 323,799	$ 192,050	$ 169,896	$ 153,903
Other Financing Sources (Uses)							
Transfers In	$ 206,000	$ 0	$ 0	$ 206,000	$ 0	$ 206,000	$ 0
Total Other Financing Sources	$ 206,000	$ 0	$ 0	$ 206,000	$ 0	$ 206,000	$ 0
Net Change in Fund Balance	$ 527,969	$ 7,430	$ (5,600)	$ 529,799	$ 192,050	$ 375,896	$ 153,903
Fund Balance, July 1, 2024	213,427	(7,430)	0	205,997	236,784	236,784	(30,787)
Fund Balance, June 30, 2025	$ 741,396	$ 0	$ (5,600)	$ 735,796	$ 428,834	$ 612,680	$ 123,116

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

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 256,263	$ 326,017	$ 255,891	$ 372
State of Tennessee	3,333,809	5,195,437	3,359,563	(25,754)
Federal Government	63,233	1,031,132	143,233	(80,000)
Total Revenues	$ 3,653,305	$ 6,552,586	$ 3,758,687	$ (105,382)
Expenditures				
Highways				
Administration	$ 274,005	$ 258,682	$ 276,182	$ 2,177
Highway and Bridge Maintenance	1,334,322	1,464,032	1,339,332	5,010
Operation and Maintenance of Equipment	564,300	718,000	602,200	37,900
Other Charges	117,403	135,500	129,000	11,597
Employee Benefits	515,604	609,244	516,671	1,067
Capital Outlay	1,117,936	2,988,829	1,128,290	10,354
Total Expenditures	$ 3,923,570	$ 6,174,287	$ 3,991,675	$ 68,105
Excess (Deficiency) of Revenues Over Expenditures	$ (270,265)	$ 378,299	$ (232,988)	$ (37,277)
Other Financing Sources (Uses)				
Transfers Out	$ (152,798)	$ (153,931)	$ (152,798)	$ 0
Total Other Financing Sources	$ (152,798)	$ (153,931)	$ (152,798)	$ 0
Net Change in Fund Balance	$ (423,063)	$ 224,368	$ (385,786)	$ (37,277)
Fund Balance, July 1, 2024	1,734,254	1,317,675	1,317,675	416,579
Fund Balance, June 30, 2025	$ 1,311,191	$ 1,542,043	$ 931,889	$ 379,302

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

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

	Custodial Funds
ASSETS	
Cash	$ 1,181,477
Accounts Receivable	871
Due from Other Governments	152,894
Total Assets	$ 1,335,242
LIABILITIES	
Due to Other Taxing Units	$ 152,894
Total Liabilities	$ 152,894
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	$ 1,182,348
Total Net Position	$ 1,182,348

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

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

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	$ 852,697
Fines/Fees and Other Collections	6,119,465
Total Additions	$ 6,972,162
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	$ 852,697
Payments to State	3,279,259
Payments to Cities, Individuals, and Others	2,585,771
Total Deductions	$ 6,717,727
Net Increase (Decrease) in Fiduciary in Net Position	$ 254,435
Net Position, July 1, 2024	927,913
Net Position, June 30, 2025	$ 1,182,348

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

POLK COUNTY, TENNESSEE
INDEX OF NOTES TO THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Polk County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Polk County:

A. Reporting Entity

Polk County is a public municipal corporation governed by an elected ten-member board. As required by GAAP, these financial statements present Polk County (the primary government) and its component units. The financial statements of the Polk County Emergency Communications District and Polk County Industrial Development Corporation Board, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Polk County School Department operates the public school system in the county, and the voters of Polk County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Polk County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Polk County, and the Polk County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Polk County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Polk County Industrial Development Corporation Board provides assistance in industrial recruitment in Polk County, and the Polk County Commission appoints its seven-member board. The financial statements of the Polk County Industrial Development Corporation Board were not material to the component units' opinion unit and therefore have been omitted from this report.

The Polk County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Polk County Emergency Communications District and the Polk County Industrial Development Corporation Board can be obtained from their administrative office at the following address:

Administrative Offices:

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

Polk County Industrial Development Corporation Board
Post Office Box 177
Benton, TN 37307

B. *Government-wide and Fund Financial Statements*

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Polk County issues all debt for the discretely presented Polk County School Department. Net debt issues totaling $983,229 were contributed by the county to the school department during the year ended June 30, 2025.

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

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

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

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

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

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

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

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

Polk County reports the following major governmental funds:

General Fund – This is the county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions relating to the disposal of Polk County's solid waste. Local taxes and general service charges are the foundational revenues of this fund.

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

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

Additionally, Polk County reports the following fund types:

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

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

The discretely presented Polk County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund for the school department. It is used to account for general operations of the school department.

Central Cafeteria Fund – This special revenue fund is used to account for the cafeteria operations in each of the schools. USDA School Lunch and Breakfast Programs and payments received from the sale of meals are the foundational revenues of this fund.

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

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

Internal Service Fund – The Self-Insurance Fund is used to account for the school department employees' self-insurance dental program. In prior years, school funds were placed into this fund for the payment of dental claims for employees who chose to participate in the program. However, due to the increased costs of the plan, operations ceased in October 2002, but a balance remains in this fund. The school board voted to contribute these funds to the General Purpose School Fund on April 8, 2024. All funds were disbursed in the current year, and this fund was closed.

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 (FY25) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY24) 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 on the 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The discretely presented school department has one proprietary fund, an internal service fund used to account for the employees' dental insurance program. As noted above, the employees' dental insurance plan was discontinued in October 2002 due to the increased cost of the plan. A cash balance has remained in this fund since the fund was discontinued. The fund's only revenue was interest earned on this cash balance and there was a contribution of funds to the General Purpose School Fund to close this fund during the year examined.

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

1. Deposits and Investments

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Polk County School Department (excluding the school department's Self-Insurance Fund). Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Polk County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Polk County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.69 percent of the total taxes levied.

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

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Polk County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Polk County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Polk County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

Primary Government

It is the county's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. All vacation leave and compensatory time is accrued when incurred in the government-wide financial statements for the county. The county's policy allows employees to accumulate up to 15 days of vacation leave. The policy of the highway department allows employees to accumulate up to 70 hours of vacation leave at the end of the calendar year. 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 Polk 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 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 county's policies.

Discretely Presented Polk County School Department

It is the school department's policy to permit employees to accumulate earned but unused personal leave and sick pay benefits. All vacation pay must be used before year end or lost. 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 Polk County School Department has a policy to pay amounts when employees separate from service with the government, the portion of sick leave "more likely than not" expected to be used or paid out is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for 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 notes and other loans, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

In the government-wide financial statements and the proprietary fund in the fund financial statements of the discretely presented school department, equity is classified as net position and may be displayed in three components:

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

The government-wide Statement of Net Position reports $6,271,646 of restricted net position, of which $566,794 is restricted by enabling legislation.

As of June 30, 2025, Polk County had $1,336,721 in outstanding debt for capital purposes for the discretely presented Polk County School Department. This debt is a liability of Polk County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Polk County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Finance Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds and for negative fund balances in the other governmental funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

9. Minimum Fund Balance Policy

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

General Fund – 12 percent of current-year appropriations.

General Debt Service Fund - the county will typically have future payments for the first six months of the year as fund balance.

10. Restatements

With the implementation of GASB Statement 101, *Compensated Absences,* Polk County must recognize a restatement to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented Polk County School Department to record compensated absences liabilities. A restatement of ($50,787) has been presented to reflect the beginning balance of the primary government and ($163,661) for the discretely presented Polk County School Department. The following table reflects the restatement amounts necessary to implement this standard:

	Government Wide - Governmental Activities	
	Primary Government	Discretely Presented Polk County School Department
Net Position, as previously reported	$ 24,949,541	$ 24,371,356
Adjustments for GASB 101 Implementation:		
Compensated Absences Liability	(50,787)	(163,661)
Net Change in Beginning Net Position	$ (50,787)	$ (163,661)
Net Position, June 30, 2024, Restated	$ 24,898,754	$ 24,207,695

11. 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 Special Revenue Fund no longer met the quantitative thresholds and is presented as a nonmajor governmental fund. Prior-year amounts have been restated to reflect the fund within the Nonmajor Governmental Funds column.

In the discretely presented Polk County School Department, the School Federal Projects Fund no longer met the quantitative thresholds and is presented as a nonmajor governmental fund. Prior-year amounts have been restated to reflect the fund within the Nonmajor Governmental Funds column. The Central Cafeteria Fund met the criteria for major fund classification and is presented as a major governmental fund. Prior-year amounts, previously included with the Nonmajor Governmental Funds column, have been restated to reflect this fund as major.

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 Special Revenue	$ 1,418,393	$ (1,418,393)	$ 0
Nonmajor Funds	1,048,846	1,418,393	2,467,239
Total Governmental Funds	$ 2,467,239	$ 0	$ 2,467,239
Discretely Presented Polk County School Department			
Major Funds:			
School Federal Projects	$ 496,644	$ (496,644)	$ 0
Central Cafeteria Fund	0	97,144	97,144
Nonmajor Funds	549,053	399,500	948,553
Total Governmental Funds Discretely Presented Polk County School Department	$ 1,045,697	$ 0	$ 1,045,697

E. *Pension Plans*

Primary Government

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

Discretely Presented Polk County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Polk County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Polk County School Department

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

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

Primary Government

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

Discretely Presented Polk County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

On June 30, 2025, Polk County and the discretely presented Polk County School Department reported the following encumbrances:

Funds		Amount
Primary Government:		
Major Funds:		
General	$	183,335
Solid Waste/Sanitation		5,600
Nonmajor Funds:		
Drug Control		467
ARP Capital Projects		7,562
School Department:		
Major Fund:		
General Purpose School		9,581
Nonmajor Fund:		
School Federal Projects		23,420

B. *Fund Deficits*

The School Federal Projects and Central Cafeteria funds (special revenue funds) of the discretely presented Polk County School Department had deficits in unassigned fund balance of $3,820 and $20,602, respectively, on June 30, 2025. These deficits resulted from expenditures exceeding restricted, committed, and assigned balances. The deficits in unassigned fund balance were liquidated when revenues were recognized after June 30, 2025.

C. *Budgetary Basis Fund Deficit*

The ARP Capital Projects Fund reported a budgetary basis deficit of $7,562 on June 30, 2025. The budgetary basis deficit resulted from the recognition of budgetary basis expenditures for outstanding encumbrances of $7,562. The future expenditures represented by the outstanding encumbrances are being funded by federal grants and the budgetary basis deficit is expected to be liquidated upon receipt of those future grant funds.

D. *Expenditures Exceeded Appropriations*

Expenditures exceeded the total appropriations approved by the county commission in the discretely presented Polk County School Department’s Education Capital Projects Fund by $2,864.

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

Fund/Major Appropriation Category		Amount Overspent
General Fund:		
Other Operations - Other Charges	$	2,467
Solid Waste/Sanitation Fund:		
Other Operations - Other Charges		347
General Debt Service Fund:		
Other Debt Service - General Government		15
General Purpose School Fund:		
Support Services - Special Education Program		44,444
School Federal Projects Fund:		
Support Services - Technology		150
Support Services - Board of Education		559
Support Services - Office of the Principal		1,177

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues and/or available fund balance in the individual funds noted above.

E. Appropriations Exceeded Estimated Available Funding

The budget and subsequent amendments approved by the county commission for the Other Capital Projects Fund (nonmajor governmental fund of the primary government) resulted in appropriations exceeding estimated available funding by $11,167.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

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

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2025.

TCRS Stabilization Trust

Legal Provisions. The Polk County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated* (*TCA*), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.
The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Polk County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2025, the Polk County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$ 100,650
Developed Market International Equity	N/A	N/A	45,455
Emerging Market International Equity	N/A	N/A	12,987
U.S. Fixed Income	N/A	N/A	64,936
Real Estate	N/A	N/A	32,468
Short-term Securities	N/A	N/A	3,247
NAV - Private Equity and Strategic Lending	N/A	N/A	64,936
Total			$ 324,679

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 on the 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	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	$ 50,300	$ 0	$ (50,300)	$ 0
Construction in Progress	250,193	0	(31,835)	218,358
Total Capital Assets Not Depreciated	$ 300,493	$ 0	$ (82,135)	$ 218,358
Capital Assets Depreciated:				
Buildings and Improvements	$ 11,477,916	$ 345,785	$ 0	$ 11,823,701
Infrastructure	10,790,647	0	0	10,790,647
Other Capital Assets	6,216,051	357,644	(151,992)	6,421,703
Total Capital Assets Depreciated	$ 28,484,614	$ 703,429	$ (151,992)	$ 29,036,051
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 4,663,142	$ 256,953	$ 0	$ 4,920,095
Infrastructure	6,852,299	245,274	0	7,097,573
Other Capital Assets	4,098,571	529,164	(151,992)	4,475,743
Total Accumulated Depreciation	$ 15,614,012	$ 1,031,391	$ (151,992)	$ 16,493,411
Total Capital Assets Depreciated, Net	$ 12,870,602	$ (327,962)	$ 0	$ 12,542,640
Governmental Activities Capital Assets, Net	$ 13,171,095	$ (327,962)	$ (82,135)	$ 12,760,998

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

Governmental Activities:

General Government	$ 284,248
Public Safety	280,650
Public Health & Welfare	3,000
Social, Cultural & Recreational	535
Highways/Public Works	462,958
Total Depreciation Expense - Governmental Activities	$ 1,031,391

Net Investment in Capital Assets

Capital Assets	$	12,760,998
Add: Outstanding principal of debt for school purposes		1,336,721
Less: Outstanding principal of capital debt and other capital borrowings		(1,336,721)
Net Investment in Capital Assets	$	12,760,998

Discretely Presented Polk County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	$ 401,500	$ 0	$ 0	$ 401,500
Construction in Progress	598,365	0	(598,365)	0
Total Capital Assets Not Depreciated	$ 999,865	$ 0	$ (598,365)	$ 401,500
Capital Assets Depreciated:				
Buildings and Improvements	$ 24,952,135	$ 2,049,422	$ 0	$ 27,001,557
Other Capital Assets	5,227,891	165,585	(51,000)	5,342,476
Total Capital Assets Depreciated	$ 30,180,026	$ 2,215,007	$ (51,000)	$ 32,344,033
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 14,579,849	$ 429,988	$ 0	$ 15,009,837
Other Capital Assets	1,892,285	346,793	(45,900)	2,193,178
Total Accumulated Depreciation	$ 16,472,134	$ 776,781	$ (45,900)	$ 17,203,015
Total Capital Assets Depreciated, Net	$ 13,707,892	$ 1,438,226	$ (5,100)	$ 15,141,018
Governmental Activities Capital Assets, Net	$ 14,707,757	$ 1,438,226	$ (603,465)	$ 15,542,518

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

Governmental Activities:

Instruction	$	178,939
Support Services		147,096
Operation of Non-instructional Services		450,746
Total Depreciation Expense - Governmental Activities	$	776,781

C. *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	$ 23,753
Highway/Public Works	General	10,718
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	101,455
"	Central Cafeteria	300,000
Central Cafeteria	General Purpose School	207
Nonmajor governmental	"	3,965

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
Highway/Public Works	General Purpose School	$ 3,167

The receivable in the Highway/Public Works Fund totaling $3,167 was due from the General Purpose School Fund as reimbursement for fuel.

Interfund Transfers:

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

Primary Government

	Transfers In			
Transfers Out	General Fund	Solid Waste/ Sanitation Fund	General Debt Service Fund	Purpose
Nonmajor governmental	$ 1,218,445	$ 200,000	$ 0	To close fund
"	15,000	0	0	Capital projects
"	30,557	0	0	Operations
General Fund	0	6,000	0	Bonuses
Nonmajor governmental	0	0	6,069	Debt issuance costs
Highway/Public Works	0	0	152,798	Debt retirement
Total	$ 1,264,002	$ 206,000	$ 158,867	

Discretely Presented Polk County School Department

Transfer Out		Transfer In: Central Cafeteria Fund	Purpose
General Purpose School Fund	$	45,000	Operations

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

D. *Long-term Debt*

Primary Government

Notes and Other Loans

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

Other loans outstanding as of June 30, 2025, for governmental activities are as follows:

Type	Interest Rate		Final Maturity		Original Amount of Issue		Balance 6-30-25
Direct Borrowing and Direct Placement:							
Other Loans	Variable	%	5-25-26	$	1,713,451	$	42,900
Other Loans	1.50 to 7.99		5-1-33		1,874,229		1,293,821

On September 4, 2014, Polk County entered into loan agreements with the City of Clarksville, Tennessee, Public Building Authority. This loan agreement provided for the authority to make $1,840,980 available for loan to Polk County on an as-needed basis for various school roofing and renovation projects. Polk County had borrowed $1,713,451 of this loan as of June 30, 2017, and does not intend to borrow any more. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the program. In addition, the county pays various other fees in connection with this loan. On June 30, 2025, the variable interest rate was 3.43 percent and other fees totaled approximately .15 percent of the outstanding loan principal. There is also a monthly trustee fee of $125 and an annual administrative fee of $100 associated with this loan.

In prior years, Polk County entered into a purchase agreement totaling $314,000 to obtain school buses. These obligations have previously been reflected as capital leases, however, with the implementation of GASB 87, *Leases*, these obligations are now reflected as other loans. Also, on August 25, 2022, the county entered into a four-year loan agreement to purchase used buses totaling $213,000 at 4.75 percent interest and on November 6, 2023, the county entered into a four-year loan agreement to purchase used buses totaling $364,000 at 6.71 percent interest.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2025, including interest payments and other loan fees, are presented in the following tables:

Year Ending	Other Loans - Direct Placement			
June 30	Principal	Interest	Fees	Total
2026	$ 362,870	$ 42,195	$ 1,434	$ 406,499
2027	265,975	26,129	0	292,104
2028	180,042	13,807	0	193,849
2029	104,232	7,068	0	111,300
2030	105,816	5,484	0	111,300
2031-2033	317,786	6,794	0	324,580
Total	$ 1,336,721	$ 101,477	$ 1,434	$ 1,439,632

There is $1,449,761 available in the General Debt Service Fund to service long-term debt. Total debt per capita totaled $76, based on the 2020 federal census.

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

Changes in Long-term Debt

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

Governmental Activities:	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2024	$ 150,000	$ 2,541,557
Additions	0	983,229
Reductions	(150,000)	(2,188,065)
Balance, June 30, 2025	$ 0	$ 1,336,721
Balance Due Within One Year	$ 0	$ 362,870

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	$	1,336,721
Less: Balance Due Within One Year - Debt		(362,870)
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	$	973,851

E. *Long-term Obligations*

Primary Government

Changes in Long-term Obligations

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

Governmental Activities:		Compensated Absences*		Net Pension Liability - Agent Plan **
Balance, July 1, 2024	$	216,525	$	147,394
Additions		0		1,454,004
Reductions		(4,375)		(1,954,353)
Balance, June 30, 2025	$	212,150	$	(352,955)
Balance Due Within One Year	$	43,132	$	0

*Restated beginning balance – see Note I.D.10. The change in compensated absences is presented as a net change.
**On June 30, 2025, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	$	212,150
Less: Balance Due Within One Year - Other		(43,132)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	169,018

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

Discretely Presented Polk County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Polk County School Department for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Compensated Absences*	Other Post-employment Benefits	Net Pension Liability - Agent Plan**
Balance, July 1, 2024	$ 163,661	$ 4,144,015	$ 59,876
Additions	0	458,471	634,728
Reductions	(52,876)	(211,050)	(847,976)
Balance, June 30, 2025	$ 110,785	$ 4,391,436	$ (153,372)
Balance Due Within One Year	$ 71,451	$ 120,160	$ 0

*Restated beginning balance – see Note I.D.10. The change in compensated absences is presented as a net change.
**On June 30, 2025, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2025	$ 4,502,221
Less: Balance Due Within One Year - Other	(191,611)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$ 4,310,610

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

F. *On-Behalf Payments*

Discretely Presented Polk County School Department

The State of Tennessee pays health insurance premiums for retired teachers on behalf of the Polk County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2025, were $58,639. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. *Short-term Debt*

The discretely presented Polk County School Department issued revenue anticipation notes in advance of revenue collections and deposited the proceeds in the Central Cafeteria Fund. These notes were necessary because funds were not available to meet operating expenses. As of the date of this report, this note has not been liquidated. Short-term debt activity for the year ended June 30, 2025, was as follows:

	Balance 7-1-24	Issued	Paid	Balance 6-30-25
Revenue Anticipation Notes	$ 0	$ 250,000	$ 0	$ 250,000

V. OTHER INFORMATION

A. *Risk Management*

Primary Government

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

Polk County participates in the Local Government Workers' Compensation Fund (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.

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

Discretely Presented Polk County School Department

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

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

The school department maintains a Self-Insurance Fund for risks associated with the employees' dental insurance plan. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claims settlements. The employees' dental insurance plan was discontinued in October 2002 due to increased costs of the plan; however, since the use of the plan stopped, there has been a cash balance maintained in the fund. The school board voted to contribute these funds to the General Purpose School Fund on April 8, 2024. All remaining funds were disbursed in the current year.

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.

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

D. *Joint Venture*

The Tenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Tenth Judicial District and participating municipalities in the district. The Tenth Judicial District includes Bradley, McMinn, Monroe, and Polk counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors that includes the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Polk County did not contribute to the DTF for the year ended June 30, 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
Tenth Judicial District
P.O. Box 647
Athens, TN 37371-0647

E. *Jointly Governed Organization*

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

F. *Retirement Commitments*

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Polk County and non-certified employees of the discretely presented Polk County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 69.71 percent, the non-certified employees of the discretely presented school department comprise 30.29 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 on the 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.

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	106
Inactive Employees Entitled to But Not Yet Receiving Benefits	288
Active Employees	258
Total	652

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. Polk County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contribution for Polk County was $439,751 based on a rate of five percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Polk County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Polk County's net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	$ 19,405,038	$ 19,197,768	$ 207,270
Changes for the Year:			
Service Cost	$ 728,964	$ 0	$ 728,964
Interest	1,330,440	0	1,330,440
Differences Between Expected and Actual Experience	(49,176)	0	(49,176)
Contributions-Employer	0	437,996	(437,996)
Contributions-Employees	0	437,996	(437,996)
Net Investment Income	0	1,874,252	(1,874,252)
Benefit Payments, Including Refunds of Employee Contributions	(847,566)	(847,566)	0
Administrative Expense	0	(26,419)	26,419
Net Changes	$ 1,162,662	$ 1,876,259	$ (713,597)
Balance, June 30, 2024	$ 20,567,700	$ 21,074,027	$ (506,327)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	69.71%	$ 14,337,744	$ 14,690,704	$ (352,955)
School Department	30.29%	6,229,956	6,383,323	(153,372)
Total		$ 20,567,700	$ 21,074,027	$ (506,327)

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

Polk County	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 2,240,014	$ (506,327)	$ (2,769,851)

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, Polk County recognized pension expense (negative pension expense) of $515,654.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 422,959	$ 133,679
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	221,268
Changes in Assumptions	588,417	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	439,751	N/A
Total	$ 1,451,127	$ 354,947

(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 following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 1,011,747	$ 247,434
School Department	439,381	107,513
Total	$ 1,451,128	$ 354,947

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	$ 147,642
2027	700,458
2028	(66,169)
2029	(125,502)
2030	0
Thereafter	0

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

Discretely Presented Polk County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Polk County and non-certified employees of the discretely presented Polk County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 69.71 percent and the non-certified employees of the discretely presented school department comprise 30.29 percent of the plan based on contribution data.

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

General Information About the Pension Plan

Plan Description. Teachers of the Polk County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated* (*TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained on the 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 $126,593, which is three percent of covered payroll. In addition, employer contributions of $41,249, 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 Fund, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2025, the school department reported a liability (asset) of ($112,988) 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 (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2024, the school department's proportion was 0.158556 percent. The proportion as of June 30, 2023, was 0.172129 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of $92,132.

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	$ 9,333	$ 34,713
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	19,059
Changes in Assumptions	44,899	0
Changes in Proportion of Net Pension Liability (Asset)	11,625	30,536
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	126,593	N/A
Total	$ 192,450	$ 84,308

The school department's employer contributions of $126,593, 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	$ (13,318)
2027	13,051
2028	(9,305)
2029	(9,201)
2030	38
Thereafter	284

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 more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 297,985	$ (112,988)	$ (418,838)

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

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

General Information About the Pension Plan

Plan Description. Teachers of the Polk County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained on the 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 Polk County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were $520,708, which is 6.41 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 ($4,409,963) 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 0.255967 percent. The proportion measured on June 30, 2023, was 0.262594 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of $981,124.

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	$ 1,176,020	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	858,882
Changes in Proportion of Net Pension Liability (Asset)	206,906	90,243
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	520,708	N/A
Total	$ 1,903,634	$ 949,125

The school department's employer contributions of $520,708 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	$ (480,047)
2027	1,814,160
2028	(448,105)
2029	(452,206)
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 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 all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 5,602,182	$ (4,409,963)	$ (12,713,672)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed $204,166 and teachers contributed $64,987 to this deferred compensation pension plan.

G. *Other Postemployment Benefits (OPEB)*

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

OPEB Provided through State Administered Public Entity Risk Pools

Discretely Presented Polk County School Department

The Polk County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Polk County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The school department's total OPEB liability for the plan was measured as of June 30, 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 of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.93%
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 rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.93 percent, based on the daily rate of Bond Buyer's 20-year Municipal GO AA index closest to but not later than the measurement date.

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

Changes in Assumptions. The discount rate changed from 3.65 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 Polk County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

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

LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Polk County School Department does not provide a direct subsidy and is only subject to the implicit subsidy.

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

Inactive Employees Currently Receiving Benefits	12
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	175
Total	187

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 $120,160 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Polk County School Department 70.96%	State of TN 29.04%	Total OPEB Liability
Balance July 1, 2023	$ 4,144,015	$ 1,716,413	$ 5,860,428
Changes for the Year:			
Service Cost	$ 201,015	$ 82,271	$ 283,286
Interest	156,879	64,206	221,085
Difference between Expected and Actual Experience	(87,033)	(35,621)	(122,654)
Changes in Assumption	86,119	35,246	121,365
Change in Proportion	14,458	(14,458)	0
Benefit Payments	(124,017)	(50,757)	(174,774)
Net Changes	$ 247,421	$ 80,887	$ 328,308
Balance June 30, 2024	$ 4,391,436	$ 1,797,300	$ 6,188,736

The Polk County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Polk County School Department 's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized $138,838 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Polk County School Department's proportionate share of the collective OPEB liability was 70.96% and the State of Tennessee's share was 29.04%.

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 $512,567, including the state's share of the expense. 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	$ 196,444	$ 267,642
Changes in Proportion	126,290	128,328
Changes of Assumptions	520,420	355,957
Benefits Paid After the Measurement Date of June 30, 2024	120,160	0
Total	$ 963,314	$ 751,927

The amount shown above for "Benefits Paid After the Measurement Date" will be recognized as a reduction to OPEB liability in the following measurement period.

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2026	$ 15,835
2027	15,835
2028	21,682
2029	22,258
2030	(10,373)
Thereafter	25,990

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	$ 4,732,229	$ 4,391,436	$ 4,067,047

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 Rates 10.68 to 4.5%	1% Increase 11.68 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	$ 3,920,666	$ 4,391,436	$ 4,935,533

H. Termination Benefits

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

I. Office of Central Accounting, Budgeting, and Purchasing

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

J. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated* (*TCA*). This statute provides for a purchasing agent to make all purchases exceeding $5,000 after soliciting sealed competitive bids through public advertisement.

Office of Highway Superintendent

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

Office of Director of Schools

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

K. *Subsequent Events*

On November 20, 2025, the county commission approved a loan agreement with Apple to purchase personal computers, electronic devices, servers, and networking equipment totaling $140,615. This loan agreement was issued on July 11, 2025, for a term of three years at an interest rate of 7.99 percent.

On November 20, 2025, the county commission approved a loan agreement for three buses totaling $278,500. This loan agreement was issued on December 15, 2025, for a term of five years at 4.79 percent interest.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

POLK COUNTY, TENNESSEE
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	$ 353,395	$ 362,034	$ 406,070	$ 431,326	$ 482,406	$ 505,432	$ 511,918	$ 604,908	$ 658,618	$ 728,964
Interest	686,982	778,649	811,563	877,312	929,175	996,883	1,034,268	1,123,442	1,232,597	1,330,440
Differences Between Actual and Expected Experience	604,011	(271,628)	60,083	(109,206)	117,378	(342,329)	(283,018)	619,980	291,611	(49,176)
Changes in Assumptions	0	0	433,909	0	0	0	1,765,258	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(368,104)	(493,500)	(454,950)	(458,794)	(611,536)	(624,620)	(677,024)	(810,147)	(759,726)	(847,566)
Net Change in Total Pension Liability	$ 1,276,284	$ 375,555	$ 1,256,675	$ 740,638	$ 917,423	$ 535,366	$ 2,351,402	$ 1,538,183	$ 1,423,100	$ 1,162,662
Total Pension Liability, Beginning	8,990,412	10,266,696	10,642,251	11,898,926	12,639,564	13,556,987	14,092,353	16,443,755	17,981,938	19,405,038
Total Pension Liability, Ending (a)	$ 10,266,696	$ 10,642,251	$ 11,898,926	$ 12,639,564	$ 13,556,987	$ 14,092,353	$ 16,443,755	$ 17,981,938	$ 19,405,038	$ 20,567,700
Plan Fiduciary Net Position										
Contributions - Employer	$ 408,901	$ 442,930	$ 464,789	$ 306,608	$ 331,497	$ 333,770	$ 343,347	$ 378,270	$ 407,809	$ 437,996
Contributions - Employee	249,330	276,230	283,064	306,609	331,497	334,106	343,348	378,272	414,795	437,996
Net Investment Income	296,568	269,832	1,210,901	1,004,316	981,794	704,035	3,844,560	(715,504)	1,207,871	1,874,252
Benefit Payments, Including Refunds of Employee Contributions	(368,104)	(493,500)	(454,950)	(458,794)	(611,536)	(624,620)	(677,024)	(810,147)	(759,726)	(847,566)
Administrative Expense	(9,664)	(15,128)	(17,251)	(21,398)	(20,618)	(20,916)	(21,632)	(24,012)	(21,635)	(26,419)
Other	0	14,230	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	$ 577,031	$ 494,594	$ 1,486,553	$ 1,137,341	$ 1,012,634	$ 726,375	$ 3,832,599	$ (793,121)	$ 1,249,114	$ 1,876,259
Plan Fiduciary Net Position, Beginning	9,474,648	10,051,679	10,546,273	12,032,826	13,170,167	14,182,801	14,909,176	18,741,775	17,948,654	19,197,768
Plan Fiduciary Net Position, Ending (b)	$ 10,051,679	$ 10,546,273	$ 12,032,826	$ 13,170,167	$ 14,182,801	$ 14,909,176	$ 18,741,775	$ 17,948,654	$ 19,197,768	$ 21,074,027
Net Pension Liability (Asset), Ending (a - b)	$ 215,017	$ 95,978	$ (133,900)	$ (530,603)	$ (625,814)	$ (816,823)	$ (2,298,020)	$ 33,284	$ 207,270	$ (506,327)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.91%	99.10%	101.13%	104.20%	104.62%	105.80%	113.98%	99.81%	98.93%	102.46%
Covered Payroll	$ 4,986,584	$ 5,401,594	$ 5,661,245	$ 6,132,138	$ 6,629,924	$ 6,675,400	$ 6,866,933	$ 7,565,415	$ 8,156,130	$ 8,759,178
Net Pension Liability (Asset) as a Percentage of Covered Payroll	4.31%	1.78%	(2.37%)	(8.65%)	(9.44%)	(12.24%)	(33.47%)	0.44%	2.54%	(5.78%)

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.

POLK COUNTY, TENNESSEE
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 442,930	$ 464,789	$ 306,608	$ 234,037	$ 216,283	$ 222,489	$ 245,119	$ 370,291	$ 419,600	$ 439,751
Less: Contributions in Relation to the Actuarially Determined Contribution	(442,930)	(464,789)	(306,608)	(331,497)	(333,770)	(343,347)	(378,270)	(407,809)	(437,996)	(439,751)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ (97,460)	$ (117,487)	$ (120,858)	$ (133,151)	$ (37,518)	$ (18,396)	$ 0
Covered Payroll	$ 5,401,594	$ 5,661,245	$ 6,132,138	$ 6,629,924	$ 6,675,400	$ 6,866,933	$ 7,565,415	$ 8,156,130	$ 8,759,178	$ 8,794,511
Contributions as a Percentage of Covered Payroll	8.20%	8.21%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 22,063	$ 29,275	$ 37,805	$ 23,495	$ 28,224	$ 39,003	$ 60,202	$ 98,261	$ 109,879	$ 126,593
Less: Contributions in Relation to the Contractually Required Contribution	(22,063)	(29,275)	37,805	(23,495)	(28,224)	(39,003)	(60,202)	(98,261)	(109,879)	(126,593)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 551,584	$ 731,857	$ 945,125	$ 1,211,056	$ 1,390,335	$ 1,930,836	$ 2,995,150	$ 3,419,673	$ 3,724,705	$ 4,215,613
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%	3.00%

Note: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%
2023: Pension - 2.87%, SRT - 1.13%
2024: Pension - 2.95%, SRT - 1.05%
2025: Pension - 3.00%, SRT - 1.00%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 808,191	$ 804,829	$ 819,504	$ 921,441	$ 925,096	$ 852,604	$ 930,179	$ 740,500	$ 574,523	$ 520,708
Less: Contributions in Relation to the Contractually Required Contribution	(808,191)	(804,829)	(819,504)	(921,441)	(925,096)	(852,604)	(930,179)	(740,500)	(574,523)	(520,708)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 8,940,165	$ 8,902,968	$ 9,025,375	$ 8,809,192	$ 8,702,674	$ 8,301,886	$ 9,030,862	$ 8,521,285	$ 8,436,459	$ 8,119,944
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%	6.41%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.138076%	0.125358%	0.111507%	0.108152%	0.114445%	0.110175%	0.133786%	0.175390%	0.172129%	0.158556%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (5,672)	$ (13,050)	$ (29,420)	$ (49,050)	$ (64,603)	$ (62,650)	$ (144,919)	$ (53,130)	$ (72,989)	$ (112,988)
Covered Payroll	$ 292,931	$ 551,584	$ 731,857	$ 945,125	$ 1,211,056	$ 1,390,335	$ 1,930,836	$ 2,995,150	$ 3,419,673	$ 3,724,705
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(5.33%)	(4.51%)	(7.51%)	(1.77%)	(2.13%)	(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%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.243981%	0.247664%	0.251856%	0.257744%	0.262714%	0.261479%	0.252939%	0.274416%	0.262594%	0.255967%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ 99,943	$ 1,547,761	$ (82,403)	$ (906,981)	$ (2,701,177)	$ (1,993,968)	$ (10,909,866)	$ (3,365,455)	$ (3,095,911)	$ (4,409,963)
Covered Payroll	$ 9,133,452	$ 8,940,165	$ 8,902,968	$ 9,025,375	$ 8,809,192	$ 8,702,674	$ 8,301,886	$ 9,030,862	$ 8,521,285	$ 8,436,459
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)	(22.91%)	(131.41%)	(37.27%)	(36.33%)	(52.27%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

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

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	$ 263,808	$ 245,776	$ 253,160	$ 235,248	$ 298,018	$ 320,366	$ 247,564	$ 283,286
Interest	136,044	164,046	169,917	161,612	113,432	124,300	183,576	221,085
Changes in Benefit Terms	0	(278,963)	0	0	0	0	0	0
Differences Between Actual and Expected Experience	0	32,469	2,780	(294,614)	348,233	(224,217)	103,029	(122,654)
Changes in Assumptions	(218,480)	119,987	(326,369)	506,986	5,521	(520,914)	487,846	121,365
Benefit Payments	(209,570)	(219,134)	(192,336)	(149,413)	(137,407)	(194,044)	(197,847)	(174,774)
Net Change in Total OPEB Liability	$ (28,198)	$ 64,181	$ (92,848)	$ 459,819	$ 627,797	$ (494,509)	$ 824,168	$ 328,308
Total OPEB Liability, Beginning	4,500,018	4,471,820	4,536,001	4,443,153	4,902,972	5,530,769	5,036,260	5,860,428
Total OPEB Liability, Ending	$ 4,471,820	$ 4,536,001	$ 4,443,153	$ 4,902,972	$ 5,530,769	$ 5,036,260	$ 5,860,428	$ 6,188,736
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 1,479,721	$ 1,189,389	$ 1,181,061	$ 1,263,921	$ 1,515,347	$ 1,396,318	$ 1,716,413	$ 1,797,300
Employer Proportionate Share of the Total OPEB Liability	2,992,099	3,346,612	3,262,092	3,639,051	4,015,422	3,639,942	4,144,015	4,391,436
Covered Employee Payroll	$ 9,491,749	$ 9,634,825	$ 9,970,500	$ 10,093,009	$ 10,232,722	$ 12,026,012	$ 11,940,958	$ 12,161,164
Total OPEB Liability as a percentage of covered employee payroll	47.11%	47.08%	44.56%	48.58%	54.05%	41.88%	49.08%	50.89%

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.

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for proceeds reserved from the American Rescue Plan Act Grant. This fund was closed during the current year.

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

CAPITAL PROJECT FUNDS

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

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

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

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

Other Capital Projects - Waterline Fund – The Other Capital Projects - Waterline Fund was established during the year to account for a waterline project that was funded with grant funds.

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

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

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

	Special Revenue Funds			Capital Projects Funds		
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Other Capital Projects - Building Fund	ARP Capital Projects
ASSETS						
Cash	$ 0	$ 1,660	$ 1,660	$ 0	$ 0	$ 0
Equity in Pooled Cash and Investments	208,379	0	208,379	14,227	579,975	943,980
Accounts Receivable	0	22,093	22,093	0	0	0
Total Assets	$ 208,379	$ 23,753	$ 232,132	$ 14,227	$ 579,975	$ 943,980
LIABILITIES						
Due to Other Funds	$ 0	$ 23,753	$ 23,753	$ 0	$ 0	$ 0
Due to Other Governments	0	0	0	0	0	943,980
Total Liabilities	$ 0	$ 23,753	$ 23,753	$ 0	$ 0	$ 943,980
FUND BALANCES						
Restricted:						
Restricted for Public Safety	$ 208,379	$ 0	$ 208,379	$ 0	$ 0	$ 0
Restricted for Other Operations	0	0	0	14,227	0	0
Committed:						
Committed for General Government	0	0	0	0	579,975	0
Committed for Capital Outlay	0	0	0	0	0	0
Total Fund Balances	$ 208,379	$ 0	$ 208,379	$ 14,227	$ 579,975	$ 0
Total Liabilities and Fund Balances	$ 208,379	$ 23,753	$ 232,132	$ 14,227	$ 579,975	$ 943,980

(Continued)

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

	Capital Projects Funds (Cont.)		
	Other Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 0	$ 1,660
Equity in Pooled Cash and Investments	101,823	1,640,005	1,848,384
Accounts Receivable	0	0	22,093
Total Assets	$ 101,823	$ 1,640,005	$ 1,872,137
LIABILITIES			
Due to Other Funds	$ 0	$ 0	$ 23,753
Due to Other Governments	0	943,980	943,980
Total Liabilities	$ 0	$ 943,980	$ 967,733
FUND BALANCES			
Restricted:			
Restricted for Public Safety	$ 0	$ 0	$ 208,379
Restricted for Other Operations	0	14,227	14,227
Committed:			
Committed for General Government	0	579,975	579,975
Committed for Capital Outlay	101,823	101,823	101,823
Total Fund Balances	$ 101,823	$ 696,025	$ 904,404
Total Liabilities and Fund Balances	$ 101,823	$ 1,640,005	$ 1,872,137

POLK 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				Capital Projects Funds	
	Drug Control	*Formerly Major* Other Special Revenue	Constitu - tional Officers - Fees	Total	General Capital Projects	Education Capital Projects
Revenues						
Fines, Forfeitures, and Penalties	$ 36,003	$ 0	$ 0	$ 36,003	$ 0	$ 0
Charges for Current Services	0	0	447	447	0	0
Other Local Revenues	0	52	0	52	11,000	0
Federal Government	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0	0
Total Revenues	$ 36,003	$ 52	$ 447	$ 36,502	$ 11,000	$ 0
Expenditures						
Current:						
Finance	$ 0	$ 0	$ 410	$ 410	$ 0	$ 0
Administration of Justice	0	0	37	37	0	0
Public Safety	29,741	0	0	29,741	0	0
Other Operations	1,186	0	0	1,186	110	0
Capital Projects - Donated	0	0	0	0	0	977,160
Total Expenditures	$ 30,927	$ 0	$ 447	$ 31,374	$ 110	$ 977,160

(Continued)

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

	Special Revenue Funds				Capital Projects Funds	
	Drug Control	*Formerly Major* Other Special Revenue	Constitu - tional Officers - Fees	Total	General Capital Projects	Education Capital Projects
Excess (Deficiency) of Revenues Over Expenditures	$ 5,076	$ 52	$ 0	$ 5,128	$ 10,890	$ (977,160)
Other Financing Sources (Uses)						
Other Loans Issued	$ 0	$ 0	$ 0	$ 0	$ 0	$ 983,229
Transfers Out	0	(1,418,445)	0	(1,418,445)	0	(6,069)
Total Other Financing Sources (Uses)	$ 0	$ (1,418,445)	$ 0	$ (1,418,445)	$ 0	$ 977,160
Net Change in Fund Balances	$ 5,076	$ (1,418,393)	$ 0	$ (1,413,317)	$ 10,890	$ 0
Change to or Within the Reporting Entity	0	1,418,393	0	1,418,393	0	0
Fund Balance, July 1, 2024	203,303	0	0	203,303	3,337	0
Fund Balance, June 30, 2025	$ 208,379	$ 0	$ 0	$ 208,379	$ 14,227	$ 0

(Continued)

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

	Capital Projects Funds (Cont.)					
	Other Capital Projects - Building Fund	Other Capital Projects - Waterline Fund	ARP Capital Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues						
Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 36,003
Charges for Current Services	0	0	0	63,179	63,179	63,626
Other Local Revenues	0	0	0	0	11,000	11,052
Federal Government	0	901,698	15,978	0	917,676	917,676
Other Governments and Citizens Groups	0	0	0	63,270	63,270	63,270
Total Revenues	$ 0	$ 901,698	$ 15,978	$ 126,449	$ 1,055,125	$ 1,091,627
Expenditures						
Current:						
Finance	$ 0	$ 0	$ 0	$ 0	$ 0	$ 410
Administration of Justice	0	0	0	0	0	37
Public Safety	0	0	0	240,644	240,644	270,385
Other Operations	0	901,698	15,978	656	918,442	919,628
Capital Projects - Donated	0	0	0	0	977,160	977,160
Total Expenditures	$ 0	$ 901,698	$ 15,978	$ 241,300	$ 2,136,246	$ 2,167,620

(Continued)

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

	Capital Projects Funds (Cont.)					
	Other Capital Projects - Building Fund	Other Capital Projects - Waterline Fund	ARP Capital Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0	$ 0	$ (114,851)	$ (1,081,121)	$ (1,075,993)
Other Financing Sources (Uses)						
Other Loans Issued	$ 0	$ 0	$ 0	$ 0	$ 983,229	$ 983,229
Transfers Out	(15,000)	0	0	(30,557)	(51,626)	(1,470,071)
Total Other Financing Sources (Uses)	$ (15,000)	$ 0	$ 0	$ (30,557)	$ 931,603	$ (486,842)
Net Change in Fund Balances	$ (15,000)	$ 0	$ 0	$ (145,408)	$ (149,518)	$ (1,562,835)
Change to or Within the Reporting Entity	0	0	0	0	0	1,418,393
Fund Balance, July 1, 2024	594,975	0	0	247,231	845,543	1,048,846
Fund Balance, June 30, 2025	$ 579,975	$ 0	$ 0	$ 101,823	$ 696,025	$ 904,404

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 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							
Fines, Forfeitures, and Penalties	$ 36,003	$ 0	$ 0	$ 36,003	$ 36,500	$ 36,500	$ (497)
Total Revenues	$ 36,003	$ 0	$ 0	$ 36,003	$ 36,500	$ 36,500	$ (497)
Expenditures							
Public Safety							
Drug Enforcement	$ 29,741	$ (176)	$ 467	$ 30,032	$ 28,700	$ 78,700	$ 48,668
Other Operations							
Other Charges	344	0	0	344	750	750	406
Employee Benefits	842	0	0	842	1,050	1,050	208
Total Expenditures	$ 30,927	$ (176)	$ 467	$ 31,218	$ 30,500	$ 80,500	$ 49,282
Excess (Deficiency) of Revenues Over Expenditures	$ 5,076	$ 176	$ (467)	$ 4,785	$ 6,000	$ (44,000)	$ 48,785
Net Change in Fund Balance	$ 5,076	$ 176	$ (467)	$ 4,785	$ 6,000	$ (44,000)	$ 48,785
Fund Balance, July 1, 2024	203,303	(176)	0	203,127	193,543	193,543	9,584
Fund Balance, June 30, 2025	$ 208,379	$ 0	$ (467)	$ 207,912	$ 199,543	$ 149,543	$ 58,369

POLK 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 52	$ 0	$ 52	$ 0
Total Revenues	$ 52	$ 0	$ 52	$ 0
Total Expenditures	$ 0	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenues Over Expenditures	$ 52	$ 0	$ 52	$ 0
Other Financing Sources (Uses)				
Transfers Out	$ (1,418,445)	$ 0	$ (1,418,445)	$ 0
Total Other Financing Sources	$ (1,418,445)	$ 0	$ (1,418,445)	$ 0
Net Change in Fund Balance	$ (1,418,393)	$ 0	$ (1,418,393)	$ 0
Changes to or Within the Financial Reporting Entity	1,418,393	0	0	1,418,393
Fund Balance, July 1, 2024	0	0	1,418,393	(1,418,393)
Fund Balance, June 30, 2025	$ 0	$ 0	$ 0	$ 0

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 11,000	$ 12,000	$ 12,000	$ (1,000)
Total Revenues	$ 11,000	$ 12,000	$ 12,000	$ (1,000)
Expenditures				
Other Operations				
Airport	$ 0	$ 10,000	$ 10,000	$ 10,000
Other Charges	110	120	120	10
Total Expenditures	$ 110	$ 10,120	$ 10,120	$ 10,010
Excess (Deficiency) of Revenues Over Expenditures	$ 10,890	$ 1,880	$ 1,880	$ 9,010
Net Change in Fund Balance	$ 10,890	$ 1,880	$ 1,880	$ 9,010
Fund Balance, July 1, 2024	3,337	3,338	3,338	(1)
Fund Balance, June 30, 2025	$ 14,227	$ 5,218	$ 5,218	$ 9,009

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Other Capital Projects - Building Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Total Revenues	$ 0	$ 0	$ 0	$ 0
Total Expenditures	$ 0	$ 0	$ 0	$ 0
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0	$ 0	$ 0
Other Financing Sources (Uses)				
Transfers Out	$ (15,000)	$ 0	$ (15,000)	$ 0
Total Other Financing Sources	$ (15,000)	$ 0	$ (15,000)	$ 0
Net Change in Fund Balance	$ (15,000)	$ 0	$ (15,000)	$ 0
Fund Balance, July 1, 2024	594,975	0	594,975	0
Fund Balance, June 30, 2025	$ 579,975	$ 0	$ 579,975	$ 0

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Capital Projects - Waterline Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 901,698	$ 0	$ 901,698	$ 0
Total Revenues	$ 901,698	$ 0	$ 901,698	$ 0
Expenditures				
Other Operations				
COVID-19 Grant #1	$ 901,698	$ 0	$ 901,698	$ 0
Total Expenditures	$ 901,698	$ 0	$ 901,698	$ 0
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0	$ 0	$ 0
Net Change in Fund Balance	$ 0	$ 0	$ 0	$ 0
Fund Balance, July 1, 2024	0	0	0	0
Fund Balance, June 30, 2025	$ 0	$ 0	$ 0	$ 0

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual (Budgetary Basis) and Budget
ARP Capital Projects Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Federal Government	$ 15,978	$ 0	$ 15,978	$ 0	$ 15,978	$ 0
Total Revenues	$ 15,978	$ 0	$ 15,978	$ 0	$ 15,978	$ 0
Expenditures						
Other Operations						
COVID-19 Grant #6	$ 15,978	$ 7,562	$ 23,540	$ 0	$ 40,000	$ 16,460
Total Expenditures	$ 15,978	$ 7,562	$ 23,540	$ 0	$ 40,000	$ 16,460
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ (7,562)	$ (7,562)	$ 0	$ (24,022)	$ 16,460
Net Change in Fund Balance	$ 0	$ (7,562)	$ (7,562)	$ 0	$ (24,022)	$ 16,460
Fund Balance, July 1, 2024	0	0	0	0	959,958	(959,958)
Fund Balance, June 30, 2025	$ 0	$ (7,562)	$ (7,562)	$ 0	$ 935,936	$ (943,498)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Charges for Current Services	$ 63,179	$ 0	$ 63,179	$ 90,000	$ 90,000	$ (26,821)
Other Local Revenues	0	0	0	2,500	2,500	(2,500)
Other Governments and Citizens Groups	63,270	0	63,270	60,000	60,000	3,270
Total Revenues	$ 126,449	$ 0	$ 126,449	$ 152,500	$ 152,500	$ (26,051)
Expenditures						
Public Safety						
Sheriff's Department	$ 240,644	$ (136,116)	$ 104,528	$ 200,000	$ 310,000	$ 205,472
Other Operations						
Other Charges	656	0	656	1,500	1,500	844
Total Expenditures	$ 241,300	$ (136,116)	$ 105,184	$ 201,500	$ 311,500	$ 206,316
Excess (Deficiency) of Revenues Over Expenditures	$ (114,851)	$ 136,116	$ 21,265	$ (49,000)	$ (159,000)	$ 180,265
Other Financing Sources (Uses)						
Transfers Out	$ (30,557)	$ 0	$ (30,557)	$ 0	$ (30,557)	$ 0
Total Other Financing Sources	$ (30,557)	$ 0	$ (30,557)	$ 0	$ (30,557)	$ 0
Net Change in Fund Balance	$ (145,408)	$ 136,116	$ (9,292)	$ (49,000)	$ (189,557)	$ 180,265
Fund Balance, July 1, 2024	247,231	(136,116)	111,115	178,390	178,390	(67,275)
Fund Balance, June 30, 2025	$ 101,823	$ 0	$ 101,823	$ 129,390	$ (11,167)	$ 112,990

MAJOR GOVERNMENTAL FUND

GENERAL DEBT SERVICE FUND

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

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,205,242	$ 1,148,962	$ 1,148,962	$ 56,280
Other Local Revenues	439,894	100,000	132,465	307,429
State of Tennessee	108,475	105,000	105,000	3,475
Other Governments and Citizens Groups	955,179	650,000	955,179	0
Total Revenues	$ 2,708,790	$ 2,003,962	$ 2,341,606	$ 367,184
Expenditures				
Principal on Debt				
General Government	$ 612,500	$ 0	$ 612,500	$ 0
Highways and Streets	150,000	150,000	150,000	0
Education	1,575,565	1,917,000	1,575,565	0
Interest on Debt				
General Government	23,057	0	23,057	0
Highways and Streets	2,798	2,798	2,798	0
Education	91,031	52,500	98,276	7,245
Other Debt Service				
General Government	29,030	25,200	29,015	(15)
Education	5,575	8,000	8,000	2,425
Total Expenditures	$ 2,489,556	$ 2,155,498	$ 2,499,211	$ 9,655
Excess (Deficiency) of Revenues Over Expenditures	$ 219,234	$ (151,536)	$ (157,605)	$ 376,839
Other Financing Sources (Uses)				
Transfers In	$ 158,867	$ 152,798	$ 158,867	$ 0
Total Other Financing Sources	$ 158,867	$ 152,798	$ 158,867	$ 0
Net Change in Fund Balance	$ 378,101	$ 1,262	$ 1,262	$ 376,839
Fund Balance, July 1, 2024	1,071,660	4,791,205	4,791,205	(3,719,545)
Fund Balance, June 30, 2025	$ 1,449,761	$ 4,792,467	$ 4,792,467	$ (3,342,706)

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, other county funds, litigants, heirs, and others.

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
ASSETS			
Cash	$ 0	$ 1,181,477	$ 1,181,477
Accounts Receivable	0	871	871
Due from Other Governments	152,894	0	152,894
Total Assets	$ 152,894	$ 1,182,348	$ 1,335,242
LIABILITIES			
Due to Other Taxing Units	$ 152,894	$ 0	$ 152,894
Total Liabilities	$ 152,894	$ 0	$ 152,894
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	$ 0	$ 1,182,348	$ 1,182,348
Total Net Position	$ 0	$ 1,182,348	$ 1,182,348

POLK 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	$ 852,697	$ 0	$ 852,697
Fines/Fees and Other Collections	0	6,119,465	6,119,465
Total Additions	$ 852,697	$ 6,119,465	$ 6,972,162
Deductions			
Payment of Sales Tax Collections for Other Governments	$ 852,697	$ 0	$ 852,697
Payments to State	0	3,279,259	3,279,259
Payments to Cities, Individuals, and Others	0	2,585,771	2,585,771
Total Deductions	$ 852,697	$ 5,865,030	$ 6,717,727
Change in Net Position	$ 0	$ 254,435	$ 254,435
Net Position July 1, 2024	0	927,913	927,913
Net Position June 30, 2025	$ 0	$ 1,182,348	$ 1,182,348

POLK COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

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

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	$ 16,837,413	$ 330	$ 2,171,145	$ 207,262	$ (14,458,676)
Support Services	10,184,089	0	520,531	0	(9,663,558)
Operation of Non-instructional Services	2,639,671	76,340	3,240,837	833,494	1,511,000
Total Governmental Activities	$ 29,661,173	$ 76,670	$ 5,932,513	$ 1,040,756	$ (22,611,234)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 731,874
Local Option Sales Taxes					4,053,422
Other Local Taxes					23,043
Grants and Contributions Not Restricted to Specific Programs					18,245,345
Unrestricted Investment Income					28,190
Miscellaneous					52,729
Sale of Equipment					6,901
Total General Revenues					$ 23,141,504
Change in Net Position					$ 530,270
Net Position, July 1, 2024					24,371,356
Restatements - See Note I.D.10.					(163,661)
Net Position, June 30, 2025					$ 24,737,965

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

	Major Funds			Nonmajor Funds	
	General Purpose School	Central Cafeteria	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS					
Cash	$ 0	$ 472	$ 0	$ 502,949	$ 503,421
Equity in Pooled Cash and Investments	2,338,863	157,476	1,985,922	230,813	4,713,074
Accounts Receivable	56,192	16	0	0	56,208
Due from Other Governments	1,654,778	139,953	110,763	261,839	2,167,333
Due from Other Funds	401,455	207	0	3,965	405,627
Property Taxes Receivable	359,263	0	0	0	359,263
Allowance for Uncollectible Property Taxes	(9,588)	0	0	0	(9,588)
Other Current Assets	0	0	0	249	249
Restricted Assets	324,679	0	0	0	324,679
Total Assets	$ 5,125,642	$ 298,124	$ 2,096,685	$ 999,815	$ 8,520,266
LIABILITIES					
Accounts Payable	$ 28,035	$ 0	$ 0	$ 4,233	$ 32,268
Accrued Payroll	1,000	0	0	0	1,000
Payroll Deductions Payable	317,816	18,726	0	22,909	359,451
Due to Other Funds	4,172	300,000	0	101,455	405,627
Due to Primary Government	3,167	0	0	0	3,167
Total Liabilities	$ 354,190	$ 318,726	$ 0	$ 128,597	$ 801,513

(Continued)

POLK COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
Discretely Presented Polk County School Department (Cont.)

	Major Funds			Nonmajor Funds	
	General Purpose School	Central Cafeteria	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 303,314	$ 0	$ 0	$ 0	$ 303,314
Deferred Delinquent Property Taxes	43,921	0	0	0	43,921
Other Deferred/Unavailable Revenue	340,230	0	57,684	0	397,914
Total Deferred Inflows of Resources	$ 687,465	$ 0	$ 57,684	$ 0	$ 745,149
FUND BALANCES					
Restricted:					
Restricted for Education	$ 24,199	$ 0	$ 2,039,001	$ 525,038	$ 2,588,238
Restricted for Hybrid Retirement Stabilization Funds	324,679	0	0	0	324,679
Committed:					
Committed for Education	0	0	0	350,000	350,000
Assigned:					
Assigned for Education	9,581	0	0	0	9,581
Unassigned	3,725,528	(20,602)	0	(3,820)	3,701,106
Total Fund Balances	$ 4,083,987	$ (20,602)	$ 2,039,001	$ 871,218	$ 6,973,604
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,125,642	$ 298,124	$ 2,096,685	$ 999,815	$ 8,520,266

POLK COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Polk County School Department
June 30, 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)		$ 6,973,604
(1)	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
	Add: land	$ 401,500	
	Add: buildings and improvements net of accumulated depreciation	11,991,720	
	Add: other capital assets net of accumulated depreciation	3,149,298	15,542,518
(2)	Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
	Less: compensated absences payable	$ (110,785)	
	Less: OPEB liability	(4,391,436)	(4,502,221)
(3)	Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
	Add: deferred outflows of resources related to pensions	$ 2,535,465	
	Less: deferred inflows of resources related to pensions	(1,140,946)	
	Add: deferred outflows of resources related to OPEB	963,314	
	Less: deferred inflows of resources related to OPEB	(751,927)	1,605,906
(4)	Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
	Add: net pension assets - agent plan	$ 153,372	
	Add: net pension assets - teacher retirement plan	112,988	
	Add: net pension assets - teacher legacy pension plan	4,409,963	4,676,323
(5)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		441,835
	Net position of governmental activities (Exhibit A)		$ 24,737,965

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

	Major Funds				Nonmajor Funds	
	General Purpose School	*Formerly Major* School Federal Projects	*Formerly Nonmajor* Central Cafeteria	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 4,242,545	$ 0	$ 0	$ 574,782	$ 0	$ 4,817,327
Licenses and Permits	1,530	0	0	0	0	1,530
Fines, Forfeitures, and Penalties	330	0	0	0	0	330
Charges for Current Services	41,247	0	55,340	0	0	96,587
Other Local Revenues	112,112	0	0	0	1,021,102	1,133,214
State of Tennessee	19,511,882	0	11,852	0	0	19,523,734
Federal Government	450,384	0	1,607,120	0	1,466,178	3,523,682
Other Governments and Citizens Groups	1,257,506	0	0	0	0	1,257,506
Total Revenues	$ 25,617,536	$ 0	$ 1,674,312	$ 574,782	$ 2,487,280	$ 30,353,910
Expenditures						
Current:						
Instruction	$ 12,845,542	$ 0	$ 0	$ 0	$ 998,463	$ 13,844,005
Support Services	9,634,263	0	0	7,664	521,759	10,163,686
Operation of Non-Instructional Services	1,045,207	0	1,837,058	0	971,393	3,853,658
Capital Outlay	1,447,338	0	0	0	73,000	1,520,338

(Continued)

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

	Major Funds				Nonmajor Funds	
	General Purpose School	*Formerly Major* School Federal Projects	*Formerly Nonmajor* Central Cafeteria	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)						
Debt Service:						
Other Debt Service	$ 650,000	$ 0	$ 0	$ 0	$ 0	$ 650,000
Total Expenditures	$ 25,622,350	$ 0	$ 1,837,058	$ 7,664	$ 2,564,615	$ 30,031,687
Excess (Deficiency) of Revenues Over Expenditures	$ (4,814)	$ 0	$ (162,746)	$ 567,118	$ (77,335)	$ 322,223
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	$ 8,351	$ 0	$ 0	$ 0	$ 0	$ 8,351
Transfers In	0	0	45,000	0	0	45,000
Transfers Out	(45,000)	0	0	0	0	(45,000)
Total Other Financing Sources (Uses)	$ (36,649)	$ 0	$ 45,000	$ 0	$ 0	$ 8,351
Net Change in Fund Balances	$ (41,463)	$ 0	$ (117,746)	$ 567,118	$ (77,335)	$ 330,574
Change to or Within the Reporting Entity	0	(496,644)	97,144	0	399,500	0
Fund Balance, July 1, 2024	4,125,450	496,644	0	1,471,883	549,053	6,643,030
Fund Balance, June 30, 2025	$ 4,083,987	$ 0	$ (20,602)	$ 2,039,001	$ 871,218	$ 6,973,604

POLK COUNTY, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Polk County School Department
For the Year Ended June 30, 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 I-4)		$ 330,574
(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	$ 1,616,642	
Less: current-year depreciation expense	(776,781)	839,861
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net position.		
Less: book value of capital assets disposed		(5,100)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2025	$ 441,835	
Less: deferred delinquent property taxes and other deferred June 30, 2024	(413,743)	28,092
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset - agent plan	$ 213,248	
Change in net pension asset - teacher retirement plan	39,999	
Change in net pension asset - teacher legacy pension plan	1,314,052	
Change in deferred outflows related to pensions	(1,309,091)	
Change in deferred inflows related to pensions	(679,442)	
Change in OPEB liability	(247,421)	
Change in compensated absences payable	52,876	
Change in deferred outflows related to OPEB	(80,934)	
Change in deferred inflows related to OPEB	74,786	(621,927)
(5) Internal service funds are used by management to charge the cost of employee self-insurance benefits to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		(41,230)
Change in net position of governmental activities (Exhibit B)		$ 530,270

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

	Special Revenue Funds		
	School Federal Projects	Internal School	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 502,949	$ 502,949
Equity in Pooled Cash and Investments	230,813	0	230,813
Due from Other Governments	261,839	0	261,839
Due from Other Funds	3,965	0	3,965
Other Current Assets	0	249	249
Total Assets	$ 496,617	$ 503,198	$ 999,815
LIABILITIES			
Accounts Payable	$ 2,653	$ 1,580	$ 4,233
Payroll Deductions Payable	22,909	0	22,909
Due to Other Funds	101,455	0	101,455
Total Liabilities	$ 127,017	$ 1,580	$ 128,597
FUND BALANCES			
Restricted:			
Restricted for Education	$ 23,420	$ 501,618	$ 525,038
Committed:			
Committed for Education	350,000	0	350,000
Unassigned	(3,820)	0	(3,820)
Total Fund Balances	$ 369,600	$ 501,618	$ 871,218
Total Liabilities and Fund Balances	$ 496,617	$ 503,198	$ 999,815

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

	Special Revenue Funds			
	Formerly Major School Federal Projects	*Formerly Nonmajor* Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
Revenues				
Other Local Revenues	$ 0	$ 0	$ 1,021,102	$ 1,021,102
Federal Government	1,466,178	0	0	1,466,178
Total Revenues	$ 1,466,178	$ 0	$ 1,021,102	$ 2,487,280
Expenditures				
Current:				
Instruction	$ 998,463	$ 0	$ 0	$ 998,463
Support Services	521,759	0	0	521,759
Operation of Non-Instructional Services	0	0	971,393	971,393
Capital Outlay	73,000	0	0	73,000
Total Expenditures	$ 1,593,222	$ 0	$ 971,393	$ 2,564,615
Excess (Deficiency) of Revenues Over Expenditures	$ (127,044)	$ 0	$ 49,709	$ (77,335)
Net Change in Fund Balances	$ (127,044)	$ 0	$ 49,709	$ (77,335)
Change to or Within the Reporting Entity	496,644	(97,144)	0	399,500
Fund Balance, July 1, 2024	0	97,144	451,909	549,053
Fund Balance, June 30, 2025	$ 369,600	$ 0	$ 501,618	$ 871,218

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Polk County School Department
General Purpose School Fund
For the Year Ended June 30, 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	$ 4,242,545	$ 0	$ 0	$ 4,242,545	$ 4,086,282	$ 4,086,282	$ 156,263
Licenses and Permits	1,530	0	0	1,530	1,500	1,500	30
Fines, Forfeitures, and Penalties	330	0	0	330	1,500	1,500	(1,170)
Charges for Current Services	41,247	0	0	41,247	0	41,247	0
Other Local Revenues	112,112	0	0	112,112	90,797	188,443	(76,331)
State of Tennessee	19,511,882	0	0	19,511,882	17,541,468	19,549,430	(37,548)
Federal Government	450,384	0	0	450,384	257,000	724,584	(274,200)
Other Governments and Citizens Groups	1,257,506	0	0	1,257,506	0	1,257,506	0
Total Revenues	$ 25,617,536	$ 0	$ 0	$ 25,617,536	$ 21,978,547	$ 25,850,492	$ (232,956)
Expenditures							
Instruction							
Regular Instruction Program	$ 10,241,071	$ (1,200)	$ 0	$ 10,239,871	$ 9,870,563	$ 10,365,813	$ 125,942
Alternative Instruction Program	106,649	0	0	106,649	100,241	106,825	176
Special Education Program	1,289,582	0	0	1,289,582	1,256,524	1,291,404	1,822
Career and Technical Education Program	1,208,240	0	0	1,208,240	866,997	1,295,558	87,318
Support Services							
Attendance	57,553	0	0	57,553	41,871	58,073	520
Health Services	370,673	0	0	370,673	345,067	373,501	2,828

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Other Student Support	$ 615,371	$ (2,000)	$ 250	$ 613,621	$ 1,064,154	$ 667,477	$ 53,856
Regular Instruction Program	1,128,973	(1,288)	8,392	1,136,077	600,447	1,154,662	18,585
Special Education Program	356,052	0	0	356,052	294,408	311,608	(44,444)
Career and Technical Education Program	84,131	0	0	84,131	52,366	112,065	27,934
Technology	699,260	0	0	699,260	372,199	710,259	10,999
Other Programs	58,639	0	0	58,639	0	58,639	0
Board of Education	533,482	(950)	0	532,532	699,630	690,429	157,897
Director of Schools	249,584	(177)	200	249,607	293,600	274,400	24,793
Office of the Principal	1,377,018	0	0	1,377,018	1,225,011	1,381,591	4,573
Fiscal Services	308,683	0	0	308,683	289,993	310,117	1,434
Operation of Plant	2,000,651	(7,771)	739	1,993,619	1,829,667	2,032,136	38,517
Maintenance of Plant	214,164	0	0	214,164	209,645	214,985	821
Transportation	1,580,029	(11,102)	0	1,568,927	1,666,832	1,688,715	119,788
Operation of Non-Instructional Services							
Food Service	143,448	(3,103)	0	140,345	120,039	142,954	2,609
Community Services	300,382	(495)	0	299,887	0	315,961	16,074
Early Childhood Education	601,377	0	0	601,377	100,293	612,825	11,448

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Capital Outlay							
Regular Capital Outlay	$ 1,447,338	$ (527,039)	$ 0	$ 920,299	$ 29,000	$ 1,256,335	$ 336,036
Other Debt Service							
Education	650,000	0	0	650,000	650,000	650,000	0
Total Expenditures	$ 25,622,350	$ (555,125)	$ 9,581	$ 25,076,806	$ 21,978,547	$ 26,076,332	$ 999,526
Excess (Deficiency) of Revenues Over Expenditures	$ (4,814)	$ 555,125	$ (9,581)	$ 540,730	$ 0	$ (225,840)	$ 766,570
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	$ 8,351	$ 0	$ 0	$ 8,351	$ 0	$ 8,000	$ 351
Transfers Out	(45,000)	0	0	(45,000)	0	(45,000)	0
Total Other Financing Sources	$ (36,649)	$ 0	$ 0	$ (36,649)	$ 0	$ (37,000)	$ 351
Net Change in Fund Balance	$ (41,463)	$ 555,125	$ (9,581)	$ 504,081	$ 0	$ (262,840)	$ 766,921
Fund Balance, July 1, 2024	4,125,450	(555,125)	0	3,570,325	2,958,047	2,958,047	612,278
Fund Balance, June 30, 2025	$ 4,083,987	$ 0	$ (9,581)	$ 4,074,406	$ 2,958,047	$ 2,695,207	$ 1,379,199

POLK COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Polk County School Department
School Federal Projects Fund
For the Year Ended June 30, 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							
Federal Government	$ 1,466,178	$ 0	$ 0	$ 1,466,178	$ 1,420,438	$ 1,683,017	$ (216,839)
Total Revenues	$ 1,466,178	$ 0	$ 0	$ 1,466,178	$ 1,420,438	$ 1,683,017	$ (216,839)
Expenditures							
Instruction							
Regular Instruction Program	$ 493,985	$ 0	$ 0	$ 493,985	$ 467,121	$ 749,091	$ 255,106
Special Education Program	438,871	0	0	438,871	499,732	534,225	95,354
Career and Technical Education Program	65,607	0	11,450	77,057	76,509	77,897	840
Support Services							
Other Student Support	84,268	0	920	85,188	64,739	120,567	35,379
Regular Instruction Program	187,801	0	11,050	198,851	209,843	227,705	28,854
Special Education Program	174,192	0	0	174,192	90,659	218,991	44,799
Career and Technical Education Program	5,368	0	0	5,368	4,000	6,800	1,432
Technology	66,618	(59,600)	0	7,018	6,835	6,868	(150)
Board of Education	559	0	0	559	0	0	(559)
Office of the Principal	1,177	0	0	1,177	0	0	(1,177)
Transportation	1,776	0	0	1,776	1,000	2,762	986
Capital Outlay							
Regular Capital Outlay	73,000	(73,000)	0	0	0	0	0
Total Expenditures	$ 1,593,222	$ (132,600)	$ 23,420	$ 1,484,042	$ 1,420,438	$ 1,944,906	$ 460,864
Excess (Deficiency) of Revenues Over Expenditures	$ (127,044)	$ 132,600	$ (23,420)	$ (17,864)	$ 0	$ (261,889)	$ 244,025
Net Change in Fund Balance	$ (127,044)	$ 132,600	$ (23,420)	$ (17,864)	$ 0	$ (261,889)	$ 244,025
Changes to or Within the Financial Reporting Entity	496,644	0	0	496,644	0	0	496,644
Fund Balance, July 1, 2024	0	(132,600)	0	(132,600)	484,072	484,072	(616,672)
Fund Balance, June 30, 2025	$ 369,600	$ 0	$ (23,420)	$ 346,180	$ 484,072	$ 222,183	$ 123,997

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 55,340	$ 96,000	$ 96,000	$ (40,660)
Other Local Revenues	0	10	10	(10)
State of Tennessee	11,852	14,000	14,000	(2,148)
Federal Government	1,607,120	1,850,309	1,721,822	(114,702)
Total Revenues	$ 1,674,312	$ 1,960,319	$ 1,831,832	$ (157,520)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,837,058	$ 1,960,319	$ 1,960,319	$ 123,261
Total Expenditures	$ 1,837,058	$ 1,960,319	$ 1,960,319	$ 123,261
Excess (Deficiency) of Revenues Over Expenditures	$ (162,746)	$ 0	$ (128,487)	$ (34,259)
Other Financing Sources (Uses)				
Transfers In	$ 45,000	$ 0	$ 0	$ 45,000
Total Other Financing Sources	$ 45,000	$ 0	$ 0	$ 45,000
Net Change in Fund Balance	$ (117,746)	$ 0	$ (128,487)	$ 10,741
Changes to or Within the Financial Reporting Entity	97,144	0	0	97,144
Fund Balance, July 1, 2024	0	690,735	690,735	(690,735)
Fund Balance, June 30, 2025	$ (20,602)	$ 690,735	$ 562,248	$ (582,850)

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 574,782	$ 1,253,355	$ 1,253,355	$ (678,573)
Total Revenues	$ 574,782	$ 1,253,355	$ 1,253,355	$ (678,573)
Expenditures				
Support Services				
Board of Education	$ 7,664	$ 4,800	$ 4,800	$ (2,864)
Total Expenditures	$ 7,664	$ 4,800	$ 4,800	$ (2,864)
Excess (Deficiency) of Revenues Over Expenditures	$ 567,118	$ 1,248,555	$ 1,248,555	$ (681,437)
Net Change in Fund Balance	$ 567,118	$ 1,248,555	$ 1,248,555	$ (681,437)
Fund Balance, July 1, 2024	1,471,883	639,245	639,245	832,638
Fund Balance, June 30, 2025	$ 2,039,001	$ 1,887,800	$ 1,887,800	$ 151,201

POLK COUNTY, TENNESSEE
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
Discretely Presented Polk County School Department
June 30, 2025

	Governmental Activities Internal Service Fund Self-Insurance Fund
Nonoperating Revenues (Expenses)	
Investment Income	$ 17
Contribution (to General Purpose School Fund)	(41,247)
Total Nonoperating Revenues (Expenses)	$ (41,230)
Change in Net Position	$ (41,230)
Net Position, July 1, 2024	41,230
Net Position, June 30, 2025	$ 0

POLK COUNTY, TENNESSEE
Statement of Cash Flows - Proprietary Fund
Discretely Presented Polk County School Department
June 30, 2025

	Governmental Activities
	Internal Service Fund
	Self-Insurance Fund
Cash Flows from Noncapital Financing Activities	
Contribution to General Purpose School Fund	$ (41,247)
Net Cash Provided By (Used In) Noncapital Financing Activities	$ (41,247)
Cash Flows from Investing Activities	
Interest on Investments	$ 17
Net Cash Provided By (Used In) Investing Activities	$ 17
Net Increase (Decrease) in Cash	$ (41,230)
Cash, July 1, 2024	41,230
Cash, June 30, 2025	$ 0

Miscellaneous Schedules

POLK COUNTY, TENNESSEE
Schedule of Changes in Long-term Notes 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	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-25
NOTES PAYABLE									
Payable through General Debt Service Fund									
Highway Capital Outlay Note 2019	$ 700,000	3.73	%	8-16-19	8-1-24	$ 150,000	$ 0	$ 150,000	$ 0
Total Notes Payable						$ 150,000	$ 0	$ 150,000	$ 0
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
Series 2014 - School Roofs and Other Repairs	1,713,451	Variable		9-4-14	5-25-26	$ 209,900	$ 0	$ 167,000	$ 42,900
General Obligation Refunding Series 2017	11,955,000	Variable		4-28-17	5-25-25	1,750,000	0	1,750,000	0
Bus - 302	212,000	4.71		7-30-20	8-1-25	44,303	0	44,303	0
Bus - 303	314,000	4.71		8-13-21	8-18-26	128,287	0	62,667	65,620
Bus - 18132	213,000	4.75		7-1-22	9-29-26	127,616	0	40,581	87,035
Bus - 0773985L	364,000	6.71		11-6-23	10-2-27	281,451	0	63,664	217,787
Energy Efficient Schools Initiative (EESI) Loan	839,563	1.50		4-30-25	5-1-33	0	839,563	8,237	831,326
Apple	143,666	7.99		7-24-24	10-1-26	0	143,666	51,613	92,053
Total Other Loans Payable						$ 2,541,557	$ 983,229	$ 2,188,065	$ 1,336,721

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

Year Ending June 30	Other Loans Principal	Interest	Other Fees	Total
2026	$ 362,870	$ 42,195	$ 1,434	$ 406,499
2027	265,975	26,129	0	292,104
2028	180,042	13,807	0	193,849
2029	104,232	7,068	0	111,300
2030	105,816	5,484	0	111,300
2031	107,412	3,888	0	111,300
2032	109,032	2,268	0	111,300
2033	101,342	638	0	101,980
Total	$ 1,336,721	$ 101,477	$ 1,434	$ 1,439,632

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Other Special Revenue	General	To close fund	$ 1,218,445
"	Solid Waste/Sanitation	To close fund	200,000
General	"	Bonus pay	6,000
Other Capital Projects	General	Excess funds per resolution	30,557
Other Capital Projects - Building Fund	"	Capital projects	15,000
Highway/Public Works	General Debt Service	Debt retirement	152,798
Education Capital Projects	"	Debt issuance costs	6,069
Total Transfers Primary Government			$ 1,628,869
DISCRETELY PRESENTED POLK COUNTY SCHOOL DEPARTMENT			
General Purpose School	Central Cafeteria	Operations	$ 45,000
Total Transfers Discretely Presented Polk County School Department			$ 45,000

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

Official	Salary	Authorization	Bond	Surety
County Executive		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary/Total compensation	$ 105,396			
Highway Superintendent		Section 8-24-102, *TCA*	$ 100,000	Cincinnati Insurance Company
Base salary/Total compensation	$ 100,377			
Director of Schools		State Board of Education and	(1)	Tennessee Risk Management Trust
Base salary	$ 124,811	County Board of Education		
Travel allowance	9,000			
Unused vacation days payout	5,201			
Chief executive officer training supplement	1,000			
Total compensation	$ 140,012			
Trustee		Section 8-24-102, *TCA*	895,905	Western Surety Company
Base salary/Total compensation	$ 91,252			
Assessor of Property		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary	$ 91,252			
Board Fees	900			
Total compensation	$ 92,152			
County Clerk		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary/Total compensation	$ 91,252			
Circuit and General Sessions Courts Clerk		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary/Total compensation	$ 91,252			
Clerk and Master		Section 8-24-102, *TCA*, and	(1)	Local Government Insurance Pool
Base salary	$ 91,252	Chancery Court Judge		
Special commissioner fees	1,200			
Total compensation	$ 92,452			
Register of Deeds		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary/Total compensation	$ 91,252			
Sheriff		Section 8-24-102, *TCA*	(1)	Local Government Insurance Pool
Base salary	$ 100,377			
Law enforcement training supplement	1,600			
Total compensation	$ 101,977			
Administrator of Elections		Section 2-12-208, *TCA*		
Base salary/Total compensation	$ 82,127			
Director of Accounts and Budgets		County Commission	(1)	Local Government Insurance Pool
Base salary	$ 43,870			
Bonus	1,000			
Total compensation	$ 44,870			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Insurance Pool
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

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

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	$ 5,730,870	$ 950,836	$ 0	$ 0	$ 0	$ 0
Trustee's Collections - Prior Year	243,955	33,669	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	205,438	28,328	0	0	0	0
Interest and Penalty	40,541	5,747	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	76,416	12,667	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	5,261	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	199,610	33,088	0	0	0	0
County Local Option Taxes						
Hotel/Motel Tax	103,427	0	0	0	0	0
Local Amusement Tax	24,453	0	0	0	0	0
Litigation Tax - General	59,559	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	35,590	0	0	0	0	0
Litigation Tax - Courthouse Security	2,681	0	0	0	0	0
Business Tax	80,368	13,277	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	49,600	8,222	0	0	0	0
Wholesale Beer Tax	204,466	0	0	0	0	0
Beer Privilege Tax	3,856	0	0	0	0	0
Total Local Taxes	$ 7,066,091	$ 1,085,834	$ 0	$ 0	$ 0	$ 0

(Continued)

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 85,157	$ 0	$ 0	$ 0	$ 0	$ 0
Permits						
Beer Permits	1,425	0	0	0	0	0
Building Permits	6,092	0	0	0	0	0
Electrical Permits	4,920	0	0	0	0	0
Total Licenses and Permits	$ 97,594	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 1,549	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	4,692	0	0	0	0	0
Drug Control Fines	0	0	4,369	0	0	0
Drug Court Fees	1,091	0	0	0	0	0
Jail Fees	1,873	0	0	0	0	0
Data Entry Fee - Circuit Court	785	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	902	0	0	0	0	0

(Continued)

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court						
Fines	$ 10,794	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	19,049	0	0	0	0	0
Game and Fish Fines	72	0	0	0	0	0
Drug Control Fines	0	0	19,445	0	0	0
Drug Court Fees	8,370	0	0	0	0	0
Jail Fees	7,178	0	0	0	0	0
DUI Treatment Fines	2,777	0	0	0	0	0
Data Entry Fee - General Sessions Court	5,259	0	0	0	0	0
Courtroom Security Fee	32,920	0	0	0	0	0
Juvenile Court						
Officers Costs	550	0	0	0	0	0
Data Entry Fee - Juvenile Court	192	0	0	0	0	0
Chancery Court						
Officers Costs	1,139	0	0	0	0	0
Data Entry Fee - Chancery Court	3,020	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	6,915	0	0	0
Courtroom Security Fee	4	0	0	0	0	0

(Continued)

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	$ 24,955	$ 0	$ 5,274	$ 0	$ 0	$ 0
Total Fines, Forfeitures, and Penalties	$ 127,171	$ 0	$ 36,003	$ 0	$ 0	$ 0
Charges for Current Services						
General Service Charges						
Self-Insurance Premiums/Contributions	$ 12,642	$ 0	$ 0	$ 0	$ 0	$ 0
Fees						
Copy Fees	5,500	0	0	0	0	0
Library Fees	836	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0
Additional Fees - Titling and Registration	17,667	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	447	0
Data Processing Fee - Register	6,012	0	0	0	0	0
Probation Fees	50,744	0	0	0	0	0
Data Processing Fee - Sheriff	1,065	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,600	0	0	0	0	0
Data Processing Fee - County Clerk	1,875	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	2,835	0	0	0	0	0

(Continued)

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)						
Education Charges						
Community Service Fees - Adults	$ 620	$ 0	$ 0	$ 0	$ 0	$ 0
Total Charges for Current Services	$ 101,396	$ 0	$ 0	$ 0	$ 447	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 15,880	$ 0	$ 0	$ 52	$ 0	$ 5
Lease/Rentals/PPP	15,501	0	0	0	0	0
Sale of Materials and Supplies	30	0	0	0	0	2,215
Commissary Sales	59,085	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	246,046
Miscellaneous Refunds	78,022	0	0	0	0	7,997
Nonrecurring Items						
Sale of Equipment	14,240	0	0	0	0	0
Sale of Property	1,075	0	0	0	0	0
Contributions and Gifts	44,423	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	625	0	0	0	0	0
Total Other Local Revenues	$ 228,881	$ 0	$ 0	$ 52	$ 0	$ 256,263

(Continued)

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
Fees Received From County Officials						
Excess Fees						
County Clerk	$ 238	$ 0	$ 0	$ 0	$ 0	$ 0
Clerk and Master	68	0	0	0	0	0
Fees In-Lieu-of Salary						
County Clerk	256,897	0	0	0	0	0
Circuit Court Clerk	36,218	0	0	0	0	0
General Sessions Court Clerk	98,069	0	0	0	0	0
Clerk and Master	87,256	0	0	0	0	0
Juvenile Court Clerk	1,817	0	0	0	0	0
Register	89,365	0	0	0	0	0
Sheriff	7,756	0	0	0	0	0
Trustee	490,389	0	0	0	0	0
Total Fees Received From County Officials	$ 1,068,073	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0
Airport Maintenance Program	660,401	0	0	0	0	0
Child Restraint Program	3,137	0	0	0	0	0

(Continued)

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
General Government Grants (Cont.)						
Aging Programs	$ 26,385	$ 0	$ 0	$ 0	$ 0	$ 0
Other General Government Grants	370	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	40,800	0	0	0	0	0
School Resource Officer Grants	450,000	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	158,567	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	4,301
State Aid Program	0	0	0	0	0	887,010
Litter Program	41,579	0	0	0	0	0
Other Public Works Grants	10,913	0	0	0	0	0
Other State Revenues						
Beer Tax	17,752	0	0	0	0	0
Vehicle Certificate of Title Fees	17,878	0	0	0	0	0
Alcoholic Beverage Tax	65,536	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	61,280	0	0	0	0	0
State Revenue Sharing - T.V.A.	623,625	103,374	0	0	0	0

(Continued)

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
State Revenue Sharing - Telecommunications	$ 37,080	$ 0	$ 0	$ 0	$ 0	$ 0
State Shared Sports Gaming Privilege Tax	33,850	0	0	0	0	0
Contracted Prisoner Boarding	1,194,424	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,401,923
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	28,951
Petroleum Special Tax	0	0	0	0	0	11,624
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	281,257	0	0	0	0	0
Other State Revenues	42,003	0	0	0	0	0
Total State of Tennessee	$ 3,791,001	$ 103,374	$ 0	$ 0	$ 0	$ 3,333,809
Federal Government						
Federal Through State						
Disaster Relief	$ 7,950	$ 0	$ 0	$ 0	$ 0	$ 0
Homeland Security Grants	18,203	0	0	0	0	0
COVID-19 Grant #1	0	0	0	0	0	0
Other Federal through State	16,662	0	0	0	0	63,233

(Continued)

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works
Federal Government (Cont.)						
Direct Federal Revenue						
COVID-19 Grant #6	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Direct Federal Revenue	37,970	0	0	0	0	0
Total Federal Government	$ 80,785	$ 0	$ 0	$ 0	$ 0	$ 63,233
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contracted Services	0	0	0	0	0	0
Citizens Groups						
Donations	11,157	0	0	0	0	0
Other						
Opioid Settlement Funds - Past Remediation	47,494	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 58,651	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 12,619,643	$ 1,189,208	$ 36,003	$ 52	$ 447	$ 3,653,305

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 997,767	$ 0	$ 0	$ 0	$ 0	$ 7,679,473
Trustee's Collections - Prior Year	42,581	0	0	0	0	320,205
Circuit Clerk/Clerk and Master Collections - Prior Years	35,904	0	0	0	0	269,670
Interest and Penalty	7,082	0	0	0	0	53,370
Payments in-Lieu-of Taxes - T.V.A.	13,292	0	0	0	0	102,375
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	5,261
Payments in-Lieu-of Taxes - Other	34,721	0	0	0	0	267,419
County Local Option Taxes						
Hotel/Motel Tax	51,714	0	0	0	0	155,141
Local Amusement Tax	0	0	0	0	0	24,453
Litigation Tax - General	0	0	0	0	0	59,559
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	35,590
Litigation Tax - Courthouse Security	0	0	0	0	0	2,681
Business Tax	13,553	0	0	0	0	107,198
Statutory Local Taxes						
Bank Excise Tax	8,628	0	0	0	0	66,450
Wholesale Beer Tax	0	0	0	0	0	204,466
Beer Privilege Tax	0	0	0	0	0	3,856
Total Local Taxes	$ 1,205,242	$ 0	$ 0	$ 0	$ 0	$ 9,357,167

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 0	$ 0	$ 0	$ 0	$ 0	$ 85,157
Permits						
Beer Permits	0	0	0	0	0	1,425
Building Permits	0	0	0	0	0	6,092
Electrical Permits	0	0	0	0	0	4,920
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 0	$ 97,594
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,549
Officers Costs	0	0	0	0	0	4,692
Drug Control Fines	0	0	0	0	0	4,369
Drug Court Fees	0	0	0	0	0	1,091
Jail Fees	0	0	0	0	0	1,873
Data Entry Fee - Circuit Court	0	0	0	0	0	785
Criminal Court						
DUI Treatment Fines	0	0	0	0	0	902

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court						
Fines	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,794
Officers Costs	0	0	0	0	0	19,049
Game and Fish Fines	0	0	0	0	0	72
Drug Control Fines	0	0	0	0	0	19,445
Drug Court Fees	0	0	0	0	0	8,370
Jail Fees	0	0	0	0	0	7,178
DUI Treatment Fines	0	0	0	0	0	2,777
Data Entry Fee - General Sessions Court	0	0	0	0	0	5,259
Courtroom Security Fee	0	0	0	0	0	32,920
Juvenile Court						
Officers Costs	0	0	0	0	0	550
Data Entry Fee - Juvenile Court	0	0	0	0	0	192
Chancery Court						
Officers Costs	0	0	0	0	0	1,139
Data Entry Fee - Chancery Court	0	0	0	0	0	3,020
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	6,915
Courtroom Security Fee	0	0	0	0	0	4

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)						
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	$ 0	$ 0	$ 0	$ 0	$ 0	$ 30,229
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 163,174
Charges for Current Services						
General Service Charges						
Self-Insurance Premiums/Contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 12,642
Fees						
Copy Fees	0	0	0	0	0	5,500
Library Fees	0	0	0	0	0	836
Telephone Commissions	0	0	0	0	63,179	63,179
Additional Fees - Titling and Registration	0	0	0	0	0	17,667
Constitutional Officers' Fees and Commissions	0	0	0	0	0	447
Data Processing Fee - Register	0	0	0	0	0	6,012
Probation Fees	0	0	0	0	0	50,744
Data Processing Fee - Sheriff	0	0	0	0	0	1,065
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	1,600
Data Processing Fee - County Clerk	0	0	0	0	0	1,875
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	0	2,835

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
Charges for Current Services (Cont.)						
Education Charges						
Community Service Fees - Adults	$ 0	$ 0	$ 0	$ 0	$ 0	$ 620
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 0	$ 63,179	$ 165,022
Other Local Revenues						
Recurring Items						
Investment Income	$ 439,894	$ 0	$ 0	$ 0	$ 0	$ 455,831
Lease/Rentals/PPP	0	11,000	0	0	0	26,501
Sale of Materials and Supplies	0	0	0	0	0	2,245
Commissary Sales	0	0	0	0	0	59,085
Sale of Gasoline	0	0	0	0	0	246,046
Miscellaneous Refunds	0	0	0	0	0	86,019
Nonrecurring Items						
Sale of Equipment	0	0	0	0	0	14,240
Sale of Property	0	0	0	0	0	1,075
Contributions and Gifts	0	0	0	0	0	44,423
Other Local Revenues						
Other Local Revenues	0	0	0	0	0	625
Total Other Local Revenues	$ 439,894	$ 11,000	$ 0	$ 0	$ 0	$ 936,090

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
Fees Received From County Officials						
Excess Fees						
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 0	$ 238
Clerk and Master	0	0	0	0	0	68
Fees In-Lieu-of Salary						
County Clerk	0	0	0	0	0	256,897
Circuit Court Clerk	0	0	0	0	0	36,218
General Sessions Court Clerk	0	0	0	0	0	98,069
Clerk and Master	0	0	0	0	0	87,256
Juvenile Court Clerk	0	0	0	0	0	1,817
Register	0	0	0	0	0	89,365
Sheriff	0	0	0	0	0	7,756
Trustee	0	0	0	0	0	490,389
Total Fees Received From County Officials	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,068,073
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,000
Airport Maintenance Program	0	0	0	0	0	660,401
Child Restraint Program	0	0	0	0	0	3,137

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
State of Tennessee (Cont.)						
General Government Grants (Cont.)						
Aging Programs	$ 0	$ 0	$ 0	$ 0	$ 0	$ 26,385
Other General Government Grants	0	0	0	0	0	370
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	40,800
School Resource Officer Grants	0	0	0	0	0	450,000
Health and Welfare Grants						
Health Department Programs	0	0	0	0	0	158,567
Public Works Grants						
Bridge Program	0	0	0	0	0	4,301
State Aid Program	0	0	0	0	0	887,010
Litter Program	0	0	0	0	0	41,579
Other Public Works Grants	0	0	0	0	0	10,913
Other State Revenues						
Beer Tax	0	0	0	0	0	17,752
Vehicle Certificate of Title Fees	0	0	0	0	0	17,878
Alcoholic Beverage Tax	0	0	0	0	0	65,536
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	0	61,280
State Revenue Sharing - T.V.A.	108,475	0	0	0	0	835,474

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
State Revenue Sharing - Telecommunications	$ 0	$ 0	$ 0	$ 0	$ 0	$ 37,080
State Shared Sports Gaming Privilege Tax	0	0	0	0	0	33,850
Contracted Prisoner Boarding	0	0	0	0	0	1,194,424
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,401,923
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	28,951
Petroleum Special Tax	0	0	0	0	0	11,624
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	281,257
Other State Revenues	0	0	0	0	0	42,003
Total State of Tennessee	$ 108,475	$ 0	$ 0	$ 0	$ 0	$ 7,336,659
Federal Government						
Federal Through State						
Disaster Relief	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,950
Homeland Security Grants	0	0	0	0	0	18,203
COVID-19 Grant #1	0	0	901,698	0	0	901,698
Other Federal through State	0	0	0	0	0	79,895

(Continued)

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

	Debt Service Fund	Capital Projects Funds				
	General Debt Service	General Capital Projects	Other Capital Projects - Waterline	ARP Capital Projects	Other Capital Projects	Total
Federal Government (Cont.)						
Direct Federal Revenue						
COVID-19 Grant #6	$ 0	$ 0	$ 0	$ 15,978	$ 0	$ 15,978
Other Direct Federal Revenue	0	0	0	0	0	37,970
Total Federal Government	$ 0	$ 0	$ 901,698	$ 15,978	$ 0	$ 1,061,694
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 955,179	$ 0	$ 0	$ 0	$ 0	$ 955,179
Contracted Services	0	0	0	0	63,270	63,270
Citizens Groups						
Donations	0	0	0	0	0	11,157
Other						
Opioid Settlement Funds - Past Remediation	0	0	0	0	0	47,494
Total Other Governments and Citizens Groups	$ 955,179	$ 0	$ 0	$ 0	$ 63,270	$ 1,077,100
Total	$ 2,708,790	$ 11,000	$ 901,698	$ 15,978	$ 126,449	$ 21,262,573

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

		Special Revenue Funds			Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 657,096	$ 0	$ 0	$ 0	$ 0	$ 657,096
Trustee's Collections - Prior Year	53,006	0	0	0	0	53,006
Circuit Clerk/Clerk and Master Collections - Prior Years	44,430	0	0	0	0	44,430
Interest and Penalty	8,069	0	0	0	0	8,069
Payments in-Lieu-of Taxes - T.V.A.	8,389	0	0	0	0	8,389
Payments in-Lieu-of Taxes - Other	22,981	0	0	0	0	22,981
County Local Option Taxes						
Local Option Sales Tax	3,419,821	0	0	0	574,782	3,994,603
Business Tax	9,051	0	0	0	0	9,051
Mixed Drink Tax	13,992	0	0	0	0	13,992
Statutory Local Taxes						
Bank Excise Tax	5,710	0	0	0	0	5,710
Total Local Taxes	$ 4,242,545	$ 0	$ 0	$ 0	$ 574,782	$ 4,817,327
Licenses and Permits						
Licenses						
Marriage Licenses	$ 1,530	$ 0	$ 0	$ 0	$ 0	$ 1,530
Total Licenses and Permits	$ 1,530	$ 0	$ 0	$ 0	$ 0	$ 1,530

(Continued)

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

		Special Revenue Funds			Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
Fines, Forfeitures, and Penalties						
Juvenile Court						
Fines	$ 330	$ 0	$ 0	$ 0	$ 0	$ 330
Total Fines, Forfeitures, and Penalties	$ 330	$ 0	$ 0	$ 0	$ 0	$ 330
Charges for Current Services						
General Service Charges						
Self-Insurance Premiums/Contributions	$ 41,247	$ 0	$ 0	$ 0	$ 0	$ 41,247
Education Charges						
Lunch Payments - Children	0	0	1	0	0	1
Lunch Payments - Adults	0	0	22,434	0	0	22,434
Income from Breakfast	0	0	2,904	0	0	2,904
A la Carte Sales	0	0	30,001	0	0	30,001
Total Charges for Current Services	$ 41,247	$ 0	$ 55,340	$ 0	$ 0	$ 96,587
Other Local Revenues						
Recurring Items						
Investment Income	$ 28,173	$ 0	$ 0	$ 0	$ 0	$ 28,173
Lease/Rentals/PPP	21,000	0	0	0	0	21,000
Miscellaneous Refunds	52,529	0	0	0	0	52,529

(Continued)

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

		Special Revenue Funds			Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
Other Local Revenues (Cont.)						
Nonrecurring Items						
Damages Recovered from Individuals	$ 200	$ 0	$ 0	$ 0	$ 0	$ 200
Contributions and Gifts	10,000	0	0	0	0	10,000
Other Local Revenues						
Other Local Revenues	210	0	0	1,021,102	0	1,021,312
Total Other Local Revenues	$ 112,112	$ 0	$ 0	$ 1,021,102	$ 0	$ 1,133,214
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	$ 58,639	$ 0	$ 0	$ 0	$ 0	$ 58,639
State Education Funds						
Tennessee Investment in Student Achievement	17,612,831	0	0	0	0	17,612,831
TISA - On-behalf Payments	43,446	0	0	0	0	43,446
Early Childhood Education	520,497	0	0	0	0	520,497
School Food Service	0	0	11,852	0	0	11,852
Energy Efficient School Initiative	63,596	0	0	0	0	63,596
Driver Education	3,967	0	0	0	0	3,967
Other State Education Funds	271,171	0	0	0	0	271,171

(Continued)

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

		Special Revenue Funds			Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
State of Tennessee (Cont.)						
State Education Funds (Cont.)						
Paid Parental Leave	$ 47,254	$ 0	$ 0	$ 0	$ 0	$ 47,254
Career Ladder Program	18,084	0	0	0	0	18,084
Other Vocational	800,089	0	0	0	0	800,089
Other State Revenues						
State Revenue Sharing - T.V.A.	71,798	0	0	0	0	71,798
Other State Grants	510	0	0	0	0	510
Total State of Tennessee	$ 19,511,882	$ 0	$ 11,852	$ 0	$ 0	$ 19,523,734
Federal Government						
Federal Through State						
USDA School Lunch Program	$ 0	$ 0	$ 1,055,145	$ 0	$ 0	$ 1,055,145
USDA - Commodities	0	0	112,522	0	0	112,522
Breakfast	0	0	426,481	0	0	426,481
USDA - Other	0	0	12,972	0	0	12,972
Vocational Education - Basic Grants to States	0	92,396	0	0	0	92,396
Title I Grants to Local Education Agencies	0	468,660	0	0	0	468,660
Special Education - Grants to States	33,674	578,322	0	0	0	611,996

(Continued)

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

		Special Revenue Funds			Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
Federal Government (Cont.)						
Federal Through State (Cont.)						
Special Education Preschool Grants	$ 0	$ 31,925	$ 0	$ 0	$ 0	$ 31,925
Eisenhower Professional Development State Grants	0	126,979	0	0	0	126,979
American Rescue Plan Act Grant #1	0	120,889	0	0	0	120,889
American Rescue Plan Act Grant #4	0	8,166	0	0	0	8,166
Other Federal through State	371,710	38,841	0	0	0	410,551
Direct Federal Revenue						
Other Direct Federal Revenue	45,000	0	0	0	0	45,000
Total Federal Government	$ 450,384	$ 1,466,178	$ 1,607,120	$ 0	$ 0	$ 3,523,682
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 1,257,506	$ 0	$ 0	$ 0	$ 0	$ 1,257,506
Total Other Governments and Citizens Groups	$ 1,257,506	$ 0	$ 0	$ 0	$ 0	$ 1,257,506
Total	$ 25,617,536	$ 1,466,178	$ 1,674,312	$ 1,021,102	$ 574,782	$ 30,353,910

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

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	34,550		
Social Security		2,100		
Employee and Dependent Insurance		48,308		
Employer Medicare		491		
Workers' Compensation Insurance		300		
Total County Commission			$	85,749
County Mayor/Executive				
County Official/Administrative Officer	$	105,396		
Secretary(ies)		29,246		
Bonus Payments		1,000		
Social Security		7,692		
Pensions		6,782		
Employee and Dependent Insurance		36,194		
Unemployment Compensation		42		
Employer Medicare		1,799		
Travel		1,770		
Workers' Compensation Insurance		400		
Total County Mayor/Executive				190,321
County Attorney				
County Official/Administrative Officer	$	33,600		
Social Security		2,083		
Employer Medicare		487		
Total County Attorney				36,170
Election Commission				
County Official/Administrative Officer	$	82,127		
Deputy(ies)		28,078		
Bonus Payments		1,000		
Election Commission		7,500		
Election Workers		23,455		
In-service Training		3,620		
Social Security		7,087		
Pensions		5,560		
Employee and Dependent Insurance		13,836		

(Continued)

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

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

Unemployment Compensation	$ 42	
Employer Medicare	1,657	
Communication	2,846	
Legal Notices, Recording, and Court Costs	4,071	
Maintenance and Repair Services - Equipment	30	
Printing, Stationery, and Forms	226	
Rentals	325	
Other Contracted Services	62,456	
Office Supplies	1,224	
Other Supplies and Materials	1,355	
Liability Insurance	6,806	
Workers' Compensation Insurance	200	
Total Election Commission		$ 253,501

Register of Deeds

County Official/Administrative Officer	$ 91,252	
Clerical Personnel	56,281	
Bonus Payments	2,000	
Social Security	8,688	
Pensions	7,477	
Employee and Dependent Insurance	32,131	
Unemployment Compensation	124	
Employer Medicare	2,032	
Dues and Memberships	733	
Maintenance Agreements	7,308	
Printing, Stationery, and Forms	2,191	
Workers' Compensation Insurance	300	
Data Processing Equipment	4,380	
Total Register of Deeds		214,897

County Buildings

Custodial Personnel	$ 36,467	
Maintenance Personnel	27,292	
Bonus Payments	2,000	
Social Security	4,016	
Pensions	2,980	

(Continued)

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Employee and Dependent Insurance	$ 3,920	
Unemployment Compensation	163	
Employer Medicare	939	
Legal Services	7,420	
Maintenance and Repair Services - Buildings	29,041	
Other Contracted Services	120,601	
Custodial Supplies	3,966	
Utilities	110,618	
Workers' Compensation Insurance	32,879	
Total County Buildings		$ 382,302
Other General Administration		
Life Insurance	$ 6,628	
Audit Services	7,719	
Communication	60,523	
Legal Services	34,407	
Legal Notices, Recording, and Court Costs	1,418	
Maintenance and Repair Services - Equipment	13,723	
Medical and Dental Services	38,215	
Pest Control	4,255	
Postal Charges	35,012	
Other Contracted Services	61,890	
Office Supplies	3,158	
Other Supplies and Materials	2,841	
Building and Contents Insurance	65,000	
Liability Insurance	17,200	
Refunds	37,318	
Other Charges	4,000	
Other Equipment	25,000	
Total Other General Administration		418,307
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 43,870	
Assistant(s)	25,501	
Bonus Payments	2,000	

(Continued)

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

General Fund (Cont.)		
Finance (Cont.)		
Accounting and Budgeting (Cont.)		
Social Security	$ 4,181	
Pensions	3,569	
Employee and Dependent Insurance	14,080	
Unemployment Compensation	89	
Employer Medicare	978	
Data Processing Services	36,064	
Workers' Compensation Insurance	400	
Total Accounting and Budgeting		$ 130,732
Property Assessor's Office		
County Official/Administrative Officer	$ 91,252	
Assistant(s)	51,113	
Deputy(ies)	29,246	
Bonus Payments	2,500	
Social Security	10,447	
Pensions	8,705	
Employee and Dependent Insurance	19,402	
Unemployment Compensation	182	
Employer Medicare	2,443	
Data Processing Services	12,236	
Dues and Memberships	688	
Travel	120	
Permits	3,439	
Other Contracted Services	8,950	
Gasoline	2,631	
Office Supplies	1,203	
Other Supplies and Materials	1,735	
Workers' Compensation Insurance	400	
Data Processing Equipment	2,158	
Total Property Assessor's Office		248,850
County Trustee's Office		
County Official/Administrative Officer	$ 91,252	
Deputy(ies)	87,760	
Bonus Payments	3,000	
In-service Training	1,950	

(Continued)

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Social Security	$ 10,579	
Pensions	9,100	
Employee and Dependent Insurance	35,697	
Unemployment Compensation	126	
Employer Medicare	2,474	
Communication	792	
Data Processing Services	17,125	
Dues and Memberships	733	
Legal Notices, Recording, and Court Costs	90	
Printing, Stationery, and Forms	285	
Rentals	292	
Travel	1,409	
Data Processing Supplies	440	
Office Supplies	1,199	
Workers' Compensation Insurance	500	
Total County Trustee's Office		$ 264,803
County Clerk's Office		
County Official/Administrative Officer	$ 91,252	
Deputy(ies)	98,911	
Bonus Payments	17,885	
Social Security	12,096	
Pensions	10,402	
Employee and Dependent Insurance	46,258	
Unemployment Compensation	171	
Employer Medicare	2,829	
Dues and Memberships	733	
Legal Notices, Recording, and Court Costs	700	
Maintenance Agreements	21,350	
Travel	302	
Office Supplies	3,464	
Workers' Compensation Insurance	500	
Data Processing Equipment	3,260	
Office Equipment	1,336	
Total County Clerk's Office		311,449

(Continued)

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

General Fund (Cont.)		
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 91,252	
Deputy(ies)	102,911	
Bonus Payments	3,000	
Jury and Witness Expense	9,674	
Social Security	11,400	
Pensions	9,803	
Employee and Dependent Insurance	37,429	
Unemployment Compensation	216	
Employer Medicare	2,666	
Dues and Memberships	733	
Maintenance Agreements	18,824	
Printing, Stationery, and Forms	1,890	
Other Supplies and Materials	3,118	
Workers' Compensation Insurance	500	
Total Circuit Court		$ 293,416
General Sessions Court		
Judge(s)	$ 113,597	
Social Security	6,580	
Pensions	5,680	
Employee and Dependent Insurance	18,097	
Employer Medicare	1,539	
Legal Services	703	
Travel	425	
Building and Contents Insurance	2,200	
Liability Insurance	2,200	
Workers' Compensation Insurance	200	
Total General Sessions Court		151,221
Chancery Court		
County Official/Administrative Officer	$ 91,252	
Deputy(ies)	59,512	
Bonus Payments	2,000	
Jury and Witness Expense	561	
Social Security	8,712	
Pensions	7,638	

(Continued)

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Chancery Court (Cont.)				
Employee and Dependent Insurance	$	34,127		
Unemployment Compensation		84		
Employer Medicare		2,037		
Data Processing Services		14,280		
Dues and Memberships		733		
Legal Notices, Recording, and Court Costs		4,272		
Printing, Stationery, and Forms		851		
Workers' Compensation Insurance		350		
Total Chancery Court			$	226,409
Juvenile Court				
Assistant(s)	$	20,547		
Youth Service Officer(s)		35,096		
Bonus Payments		2,000		
Social Security		3,245		
Pensions		2,932		
Employee and Dependent Insurance		12,069		
Unemployment Compensation		110		
Employer Medicare		759		
Contracts with Government Agencies		2,000		
Other Supplies and Materials		532		
Workers' Compensation Insurance		200		
Other Charges		2,354		
Data Processing Equipment		148		
Total Juvenile Court				81,992
Probation Services				
Other Contracted Services	$	44,975		
Total Probation Services				44,975
Public Safety				
Sheriff's Department				
County Official/Administrative Officer	$	100,377		
Deputy(ies)		748,671		
Investigator(s)		154,139		
Salary Supplements		40,800		

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Dispatchers/Radio Operators	$ 63,348	
School Resource Officer	265,120	
Overtime Pay	70,081	
Bonus Payments	25,500	
Other Salaries and Wages	101,580	
In-service Training	13,683	
Social Security	91,548	
Pensions	76,139	
Employee and Dependent Insurance	306,873	
Unemployment Compensation	1,477	
Employer Medicare	21,410	
Communication	530	
Dues and Memberships	400	
Evaluation and Testing	1,400	
Legal Services	4,100	
Maintenance Agreements	4,659	
Maintenance and Repair Services - Equipment	1,995	
Maintenance and Repair Services - Vehicles	35,039	
Printing, Stationery, and Forms	797	
Travel	927	
Remittance of Revenue Collected	3,000	
Gasoline	93,867	
Law Enforcement Supplies	43,801	
Office Supplies	1,486	
Tires and Tubes	14,702	
Uniforms	9,342	
Other Supplies and Materials	10,051	
Building and Contents Insurance	20,500	
Liability Insurance	72,500	
Vehicle and Equipment Insurance	24,000	
Workers' Compensation Insurance	53,000	
Other Charges	7,815	
Data Processing Equipment	2,680	
Total Sheriff's Department		$ 2,487,337

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Correctional Incentive Program Improvements		
Supervisor/Director	$ 55,288	
Dispatchers/Radio Operators	326,897	
Guards	1,039,460	
Maintenance Personnel	39,282	
Overtime Pay	175,329	
Bonus Payments	37,000	
In-service Training	2,726	
Social Security	98,108	
Pensions	80,614	
Employee and Dependent Insurance	293,140	
Unemployment Compensation	2,258	
Employer Medicare	22,945	
Evaluation and Testing	1,150	
Maintenance Agreements	57,018	
Maintenance and Repair Services - Buildings	8,170	
Maintenance and Repair Services - Equipment	16,157	
Medical and Dental Services	246,228	
Postal Charges	196	
Printing, Stationery, and Forms	163	
Travel	478	
Other Contracted Services	45,000	
Custodial Supplies	29,909	
Food Supplies	294,214	
Instructional Supplies and Materials	71,139	
Law Enforcement Supplies	58,496	
Prisoners Clothing	4,999	
Uniforms	6,884	
Utilities	211,081	
Other Supplies and Materials	28,921	
Workers' Compensation Insurance	43,000	
Other Charges	13,945	
Building Construction	2,306	
Total Correctional Incentive Program Improvements		$ 3,312,501
Civil Defense		
In-service Training	$ 4,998	

(Continued)

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

General Fund (Cont.)				
Public Safety (Cont.)				
Civil Defense (Cont.)				
Communication	$	1,966		
Maintenance and Repair Services - Equipment		7,766		
Maintenance and Repair Services - Vehicles		19,929		
Pest Control		540		
Gasoline		6,917		
Office Supplies		996		
Utilities		7,114		
Other Supplies and Materials		5,532		
Building and Contents Insurance		8,250		
Vehicle and Equipment Insurance		9,350		
Other Equipment		23,384		
Total Civil Defense			$	96,742
Rescue Squad				
In-service Training	$	4,920		
Dues and Memberships		100		
Maintenance and Repair Services - Equipment		15,395		
Maintenance and Repair Services - Vehicles		24,543		
Gasoline		8,889		
Instructional Supplies and Materials		2,907		
Office Supplies		1,822		
Utilities		16,461		
Other Supplies and Materials		17,315		
Building and Contents Insurance		7,500		
Vehicle and Equipment Insurance		14,000		
Other Equipment		29,552		
Total Rescue Squad				143,404
Other Emergency Management				
County Official/Administrative Officer	$	5,281		
Bonus Payments		500		
Social Security		358		
Employer Medicare		84		
Communication		18,560		
Maintenance and Repair Services - Vehicles		507		
Other Supplies and Materials		2,275		
Workers' Compensation Insurance		400		
Total Other Emergency Management				27,965

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare		
Local Health Center		
Contracts with Government Agencies	$ 44,000	
Other Supplies and Materials	12,315	
Other Charges	3,125	
Total Local Health Center		$ 59,440
Ambulance/Emergency Medical Services		
Contracts with Private Agencies	$ 1,622,118	
Total Ambulance/Emergency Medical Services		1,622,118
Crippled Children Services		
Contributions	$ 1,250	
Total Crippled Children Services		1,250
Other Local Health Services		
Attendants	$ 13,227	
Bonus Payments	500	
Social Security	851	
Unemployment Compensation	52	
Employer Medicare	199	
Travel	2,825	
Workers' Compensation Insurance	500	
Total Other Local Health Services		18,154
Sanitation Education/Information		
Supervisor/Director	$ 30,555	
Bonus Payments	1,000	
Social Security	1,829	
Pensions	1,578	
Employee and Dependent Insurance	8,477	
Unemployment Compensation	42	
Employer Medicare	428	
Maintenance and Repair Services - Vehicles	1,940	
Gasoline	1,516	
Instructional Supplies and Materials	11,093	
Other Supplies and Materials	990	
Workers' Compensation Insurance	800	
Total Sanitation Education/Information		60,248

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Public Health and Welfare		
Assistant(s)	$ 116,493	
Social Security	6,667	
Pensions	5,825	
Employee and Dependent Insurance	25,647	
Unemployment Compensation	150	
Employer Medicare	1,559	
Travel	65	
Other Supplies and Materials	131	
Workers' Compensation Insurance	2,000	
Total Other Public Health and Welfare		$ 158,537
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Supervisor/Director	$ 7,390	
Bonus Payments	500	
Other Salaries and Wages	11,005	
Social Security	1,172	
Unemployment Compensation	32	
Employer Medicare	274	
Other Contracted Services	12,031	
Other Supplies and Materials	5,695	
Workers' Compensation Insurance	200	
Total Senior Citizens Assistance		38,299
Libraries		
Assistant(s)	$ 54,068	
Supervisor/Director	35,096	
Bonus Payments	4,250	
In-service Training	1,222	
Social Security	5,406	
Pensions	1,805	
Employee and Dependent Insurance	18,097	
Unemployment Compensation	313	
Employer Medicare	1,264	
Rentals	9,100	
Travel	3,190	

(Continued)

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Libraries (Cont.)		
Instructional Supplies and Materials	$ 11,470	
Library Books/Media	8,866	
Other Supplies and Materials	7,653	
Workers' Compensation Insurance	505	
Data Processing Equipment	1,585	
Total Libraries		$ 163,890
Other Social, Cultural, and Recreational		
Other Charges	$ 3,518	
Total Other Social, Cultural, and Recreational		3,518
Agriculture and Natural Resources		
Agricultural Extension Service		
County Official/Administrative Officer	$ 13,333	
Supervisor/Director	23,859	
Secretary(ies)	6,688	
Bonus Payments	1,250	
Social Security	3,238	
Pensions	6,421	
Employee and Dependent Insurance	6,315	
Unemployment Compensation	51	
Employer Medicare	18	
Dues and Memberships	560	
Travel	1,000	
Other Supplies and Materials	6,789	
Other Charges	2,595	
Total Agricultural Extension Service		72,117
Soil Conservation		
Secretary(ies)	$ 19,380	
Social Security	1,483	
Unemployment Compensation	21	
Dues and Memberships	420	
Instructional Supplies and Materials	860	
Office Supplies	1,310	
Premiums on Corporate Surety Bonds	200	
Total Soil Conservation		23,674

(Continued)

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

General Fund (Cont.)			
Other Operations			
Other Economic and Community Development			
Contracts with Government Agencies	$ 15,125		
Contracts with Other Public Agencies	7,316		
Total Other Economic and Community Development		$ 22,441	
Airport			
Maintenance and Repair Services - Equipment	$ 583		
Airport Improvement	654,046		
Total Airport		654,629	
Veterans' Services			
Supervisor/Director	$ 29,246		
Bonus Payments	1,000		
Social Security	1,875		
Pensions	1,512		
Unemployment Compensation	42		
Employer Medicare	439		
Travel	507		
Office Supplies	295		
Other Supplies and Materials	295		
Workers' Compensation Insurance	200		
Total Veterans' Services		35,411	
Other Charges			
Trustee's Commission	$ 160,467		
Total Other Charges		160,467	
Contributions to Other Agencies			
Remittance of Revenue Collected	$ 104,346		
Drug Treatment	78,000		
Total Contributions to Other Agencies		182,346	
Total General Fund			$ 12,679,582

(Continued)

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

Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Management			
Contracts with Private Agencies	$ 635,649		
Total Sanitation Management		$ 635,649	
Convenience Centers			
Supervisor/Director	$ 58,592		
Attendants	91,034		
Bonus Payments	6,000		
Social Security	9,649		
Pensions	3,030		
Unemployment Compensation	448		
Employer Medicare	2,257		
Maintenance and Repair Services - Equipment	11,169		
Disposal Fees	7,374		
Other Contracted Services	19,190		
Total Convenience Centers		208,743	
Other Operations			
Other Charges			
Trustee's Commission	$ 22,847		
Total Other Charges		22,847	
Total Solid Waste/Sanitation Fund			$ 867,239
Drug Control Fund			
Public Safety			
Drug Enforcement			
Salary Supplements	$ 11,000		
Pensions	550		
Communication	1,533		
Maintenance Agreements	2,647		
Travel	2,511		
Motor Vehicles	11,500		
Total Drug Enforcement		$ 29,741	

(Continued)

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

Drug Control Fund (Cont.)			
Other Operations			
Other Charges			
Trustee's Commission	$ 344		
Total Other Charges		$ 344	
Employee Benefits			
Social Security	$ 682		
Employer Medicare	160		
Total Employee Benefits		842	
Total Drug Control Fund			$ 30,927
Constitutional Officers - Fees Fund			
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 210		
Total County Trustee's Office		$ 210	
County Clerk's Office			
Constitutional Officers' Operating Expenses	$ 200		
Total County Clerk's Office		200	
Administration of Justice			
General Sessions Court			
Constitutional Officers' Operating Expenses	$ 37		
Total General Sessions Court		37	
Total Constitutional Officers - Fees Fund			447
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 100,377		
Accountants/Bookkeepers	38,440		
Clerical Personnel	38,360		
Bonus Payments	27,071		
Other Salaries and Wages	10,515		
Data Processing Services	17,510		

(Continued)

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

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Administration (Cont.)				
Dues and Memberships	$	4,516		
Legal Services		6,693		
Legal Notices, Recording, and Court Costs		3,884		
Maintenance and Repair Services - Office Equipment		412		
Postal Charges		815		
Travel		4,337		
Other Contracted Services		7,719		
Office Supplies		8,755		
Uniforms		2,634		
Other Charges		1,967		
Total Administration			$	274,005
Highway and Bridge Maintenance				
Foremen	$	174,280		
Equipment Operators - Heavy		79,680		
Equipment Operators - Light		151,104		
Truck Drivers		112,449		
Laborers		314,452		
Overtime Pay		25,524		
Contracts with Private Agencies		5,295		
Asphalt - Cold Mix		39,911		
Asphalt - Hot Mix		128,085		
Asphalt - Liquid		68,468		
Crushed Stone		156,209		
Food Supplies		2,101		
General Construction Materials		47,520		
Pipe		12,115		
Road Signs		12,060		
Salt		2,053		
Wood Products		250		
Other Supplies and Materials		2,766		
Total Highway and Bridge Maintenance				1,334,322
Operation and Maintenance of Equipment				
Mechanic(s)	$	47,150		
Laborers		34,120		

(Continued)

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

Highway/Public Works Fund (Cont.)
Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)		
Overtime Pay	$ 377	
Maintenance and Repair Services - Equipment	41,268	
Rentals	2,649	
Towing Services	4,652	
Diesel Fuel	164,913	
Equipment and Machinery Parts	93,420	
Garage Supplies	18,729	
Gasoline	119,774	
Lubricants	7,234	
Propane Gas	5,563	
Small Tools	771	
Tires and Tubes	23,680	
Total Operation and Maintenance of Equipment		$ 564,300
Other Charges		
Communication	$ 13,427	
Electricity	6,233	
Water and Sewer	1,407	
Liability Insurance	9,456	
Trustee's Commission	24,380	
Vehicle and Equipment Insurance	62,500	
Total Other Charges		117,403
Employee Benefits		
Social Security	$ 66,520	
Pensions	55,011	
Employee and Dependent Insurance	271,795	
Employer Medicare	15,557	
Workers' Compensation Insurance	106,721	
Total Employee Benefits		515,604
Capital Outlay		
Engineering Services	$ 49,744	
Bridge Construction	13,272	
Building Improvements	2,050	
Communication Equipment	5,297	

(Continued)

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Capital Outlay (Cont.)			
Heating and Air Conditioning Equipment	$ 1,310		
Highway Construction	78,256		
Highway Equipment	20,000		
Motor Vehicles	43,000		
State Aid Projects	905,007		
Total Capital Outlay		$ 1,117,936	
Total Highway/Public Works Fund			$ 3,923,570
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Other Loans	$ 612,500		
Total General Government		$ 612,500	
Highways and Streets			
Principal on Notes	$ 150,000		
Total Highways and Streets		150,000	
Education			
Principal on Other Loans	$ 1,575,565		
Total Education		1,575,565	
Interest on Debt			
General Government			
Interest on Other Loans	$ 23,057		
Total General Government		23,057	
Highways and Streets			
Interest on Notes	$ 2,798		
Total Highways and Streets		2,798	
Education			
Interest on Other Loans	$ 91,031		
Total Education		91,031	

(Continued)

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

General Debt Service Fund (Cont.)			
Other Debt Service			
General Government			
Trustee's Commission	$ 28,830		
Other Debt Service	200		
Total General Government		$ 29,030	
Education			
Other Debt Service	$ 5,575		
Total Education		5,575	
Total General Debt Service Fund			$ 2,489,556
General Capital Projects Fund			
Other Operations			
Other Charges			
Trustee's Commission	$ 110		
Total Other Charges		$ 110	
Total General Capital Projects Fund			110
Education Capital Projects Fund			
Capital Projects - Donated			
Capital Projects Donated to School Department			
Contributions	$ 977,160		
Total Capital Projects Donated to School Department		$ 977,160	
Total Education Capital Projects Fund			977,160
Other Capital Projects - Waterline Fund			
Other Operations			
COVID-19 Grant #1			
Other Charges	$ 901,698		
Total COVID-19 Grant #1		$ 901,698	
Total Other Capital Projects - Waterline Fund			901,698

(Continued)

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

ARP Capital Projects Fund			
Other Operations			
COVID-19 Grant #6			
Maintenance and Repair Services - Buildings	$ 15,978		
Total COVID-19 Grant #6		$ 15,978	
Total ARP Capital Projects Fund			$ 15,978
Other Capital Projects Fund			
Public Safety			
Sheriff's Department			
Motor Vehicles	$ 240,644		
Total Sheriff's Department		$ 240,644	
Other Operations			
Other Charges			
Trustee's Commission	$ 656		
Total Other Charges		656	
Total Other Capital Projects Fund			241,300
Total Governmental Funds - Primary Government			$ 22,127,567

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 7,200,624	
Career Ladder Program	7,500	
Homebound Teachers	67,689	
Educational Assistants	198,230	
Bonus Payments	12,000	
Other Salaries and Wages	368,763	
Non-certified Substitute Teachers	114,074	
Social Security	460,027	
Pensions	508,602	
Life Insurance	3,071	
Medical Insurance	1,030,309	
Dental Insurance	51,665	
Unemployment Compensation	211	
Employer Medicare	108,321	
Instructional Supplies and Materials	57,470	
Textbooks - Bound	4,942	
Other Supplies and Materials	3,839	
TISA - On-behalf Payments	28,588	
Other Charges	4,596	
Regular Instruction Equipment	10,550	
Total Regular Instruction Program		$ 10,241,071
Alternative Instruction Program		
Teachers	$ 57,623	
Educational Assistants	18,712	
Other Salaries and Wages	750	
Non-certified Substitute Teachers	1,125	
Social Security	4,717	
Pensions	6,166	
Life Insurance	48	
Medical Insurance	15,548	
Dental Insurance	455	
Employer Medicare	1,103	
Other Supplies and Materials	402	
Total Alternative Instruction Program		106,649

(Continued)

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Special Education Program				
Teachers	$	771,552		
Career Ladder Program		1,000		
Homebound Teachers		1,436		
Educational Assistants		165,744		
Bonus Payments		1,500		
Other Salaries and Wages		1,139		
Non-certified Substitute Teachers		19,275		
Social Security		55,700		
Pensions		65,546		
Life Insurance		483		
Medical Insurance		169,924		
Dental Insurance		5,276		
Employer Medicare		13,049		
Instructional Supplies and Materials		3,100		
TISA - On-behalf Payments		14,858		
Total Special Education Program			$	1,289,582
Career and Technical Education Program				
Teachers	$	663,546		
Career Ladder Program		1,500		
Bonus Payments		5,500		
Other Salaries and Wages		182,117		
Non-certified Substitute Teachers		14,438		
Social Security		47,239		
Pensions		62,477		
Life Insurance		293		
Medical Insurance		105,822		
Dental Insurance		5,912		
Employer Medicare		11,595		
Tuition		48,311		
Other Contracted Services		3,170		
Instructional Supplies and Materials		35,575		
Software		16,093		
Other Supplies and Materials		704		
Other Charges		372		
Vocational Instruction Equipment		3,576		
Total Career and Technical Education Program				1,208,240

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services		
Attendance		
Supervisor/Director	$ 54,255	
Career Ladder Program	500	
Employer Medicare	789	
In Service/Staff Development	2,009	
Total Attendance		$ 57,553
Health Services		
Supervisor/Director	$ 47,265	
Medical Personnel	226,002	
Other Salaries and Wages	375	
Social Security	12,358	
Pensions	11,195	
Life Insurance	154	
Medical Insurance	55,709	
Employer Medicare	3,576	
Travel	1,705	
Other Contracted Services	8,221	
Other Supplies and Materials	3,421	
In Service/Staff Development	692	
Total Health Services		370,673
Other Student Support		
Career Ladder Program	$ 1,000	
Guidance Personnel	399,300	
Bonus Payments	500	
Other Salaries and Wages	13,544	
Social Security	25,028	
Pensions	32,925	
Life Insurance	166	
Medical Insurance	25,274	
Dental Insurance	2,229	
Employer Medicare	5,853	
Other Fringe Benefits	64	
Evaluation and Testing	25,930	
Other Contracted Services	7,585	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Student Support (Cont.)		
Other Supplies and Materials	$ 45,737	
In Service/Staff Development	18,556	
Other Charges	7,302	
Regular Instruction Equipment	4,378	
Total Other Student Support		$ 615,371
Regular Instruction Program		
Supervisor/Director	$ 298,148	
Career Ladder Program	1,050	
Librarians	198,183	
Bonus Payments	500	
Other Salaries and Wages	52,936	
Non-certified Substitute Teachers	13,350	
Social Security	32,221	
Pensions	34,244	
Life Insurance	194	
Medical Insurance	81,149	
Dental Insurance	2,274	
Employer Medicare	7,642	
Lease/SBITA Payments	138,623	
Travel	12,467	
Other Supplies and Materials	500	
In Service/Staff Development	32,876	
Other Charges	18,062	
Debt Service Contribution to Primary Government	60,888	
Regular Instruction Equipment	143,666	
Total Regular Instruction Program		1,128,973
Special Education Program		
Supervisor/Director	$ 48,125	
Career Ladder Program	500	
Psychological Personnel	177,367	
Other Salaries and Wages	59,049	
Social Security	14,175	
Pensions	13,598	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program (Cont.)		
Life Insurance	$ 84	
Medical Insurance	29,968	
Dental Insurance	1,592	
Employer Medicare	3,931	
Travel	7,463	
Other Supplies and Materials	200	
Total Special Education Program		$ 356,052
Career and Technical Education Program		
Supervisor/Director	$ 63,923	
Other Salaries and Wages	5,500	
Social Security	4,096	
Pensions	4,402	
Life Insurance	12	
Medical Insurance	5,013	
Dental Insurance	227	
Employer Medicare	958	
Total Career and Technical Education Program		84,131
Technology		
Education Media Personnel	$ 1,000	
Instructional Computer Personnel	259,287	
Social Security	13,706	
Pensions	16,828	
Life Insurance	91	
Medical Insurance	50,969	
Dental Insurance	1,728	
Employer Medicare	3,206	
Internet Connectivity	346,436	
Travel	3,320	
Other Supplies and Materials	800	
Other Equipment	1,889	
Total Technology		699,260

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Programs		
On-behalf Payments to OPEB	$ 58,639	
Total Other Programs		$ 58,639
Board of Education		
Secretary to Board	$ 1,500	
Board and Committee Members Fees	13,500	
Social Security	916	
Pensions	75	
Employer Medicare	214	
Other Fringe Benefits	46,898	
Audit Services	20,000	
Bank Charges	1,065	
Dues and Memberships	11,879	
Legal Services	18,430	
Travel	600	
Liability Insurance	70,813	
Premiums on Corporate Surety Bonds	3,186	
Trustee's Commission	236,934	
Workers' Compensation Insurance	105,752	
Criminal Investigation of Applicants - TBI	74	
Other Charges	1,646	
Total Board of Education		533,482
Director of Schools		
County Official/Administrative Officer	$ 124,811	
Career Ladder Program	1,000	
Clerical Personnel	34,214	
Other Salaries and Wages	5,200	
Social Security	10,262	
Pensions	9,025	
Life Insurance	41	
Medical Insurance	16,653	
Dental Insurance	455	
Employer Medicare	2,400	
Other Fringe Benefits	9,000	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Director of Schools (Cont.)		
Communication	$ 18,124	
Postal Charges	3,033	
Travel	532	
Other Contracted Services	9,231	
In Service/Staff Development	5,603	
Total Director of Schools		$ 249,584
Office of the Principal		
Principals	$ 637,697	
Accountants/Bookkeepers	132,523	
Assistant Principals	167,804	
Clerical Personnel	109,926	
Other Salaries and Wages	6,447	
Social Security	61,890	
Pensions	62,786	
Life Insurance	469	
Medical Insurance	175,717	
Dental Insurance	4,093	
Employer Medicare	14,529	
Travel	3,137	
Total Office of the Principal		1,377,018
Fiscal Services		
Supervisor/Director	$ 61,798	
Clerical Personnel	132,187	
Other Salaries and Wages	1,200	
Social Security	10,217	
Pensions	10,046	
Life Insurance	96	
Medical Insurance	34,632	
Employer Medicare	2,407	
Data Processing Services	41,166	
Office Supplies	14,934	
Total Fiscal Services		308,683

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant		
Supervisor/Director	$ 39,666	
Custodial Personnel	473,503	
Other Salaries and Wages	3,842	
Social Security	28,671	
Pensions	20,348	
Life Insurance	465	
Medical Insurance	154,137	
Employer Medicare	7,333	
Other Contracted Services	225,823	
Custodial Supplies	67,259	
Electricity	477,031	
Fuel Oil	41,182	
Natural Gas	5,786	
Water and Sewer	153,625	
Other Supplies and Materials	61,413	
Boiler Insurance	4,259	
Building and Contents Insurance	200,668	
Plant Operation Equipment	35,640	
Total Operation of Plant		$ 2,000,651
Maintenance of Plant		
Maintenance Personnel	$ 153,238	
Other Salaries and Wages	488	
Social Security	9,327	
Pensions	7,446	
Life Insurance	84	
Medical Insurance	41,400	
Employer Medicare	2,181	
Total Maintenance of Plant		214,164
Transportation		
Supervisor/Director	$ 24,862	
Mechanic(s)	78,749	
Bus Drivers	576,291	
Attendants	5,000	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Transportation (Cont.)		
Other Salaries and Wages	$ 101,601	
In-service Training	7,553	
Social Security	44,748	
Pensions	30,685	
Life Insurance	268	
Medical Insurance	34,036	
Employer Medicare	11,383	
Medical and Dental Services	5,489	
Penalties	3,435	
Other Contracted Services	1,057	
Diesel Fuel	100,680	
Gasoline	14,792	
Tires and Tubes	13,755	
Vehicle Parts	144,408	
Other Supplies and Materials	789	
Vehicle and Equipment Insurance	46,185	
In Service/Staff Development	161	
Other Charges	9,007	
Debt Service Contribution to Primary Government	244,291	
Motor Vehicles	3,750	
Transportation Equipment	77,054	
Total Transportation		$ 1,580,029
Operation of Non-Instructional Services		
Food Service		
Supervisor/Director	$ 54,596	
Clerical Personnel	38,300	
Cafeteria Personnel	17,100	
Social Security	6,666	
Pensions	5,342	
Life Insurance	48	
Medical Insurance	16,686	
Employer Medicare	1,559	
Maintenance and Repair Services - Equipment	3,103	
Travel	48	
Total Food Service		143,448

(Continued)

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

General Purpose School Fund (Cont.)		
Operation of Non-Instructional Services (Cont.)		
Community Services		
Supervisor/Director	$ 61,448	
Teachers	50,172	
Clerical Personnel	17,950	
Educational Assistants	41,436	
Other Salaries and Wages	50,125	
Social Security	13,602	
Pensions	12,852	
Life Insurance	24	
Medical Insurance	6,232	
Dental Insurance	455	
Employer Medicare	3,181	
Instructional Supplies and Materials	33,202	
In Service/Staff Development	131	
Other Charges	9,572	
Total Community Services		$ 300,382
Early Childhood Education		
Teachers	$ 322,009	
Educational Assistants	120,451	
Non-certified Substitute Teachers	225	
Social Security	25,637	
Pensions	29,286	
Life Insurance	279	
Medical Insurance	85,476	
Dental Insurance	2,683	
Employer Medicare	5,996	
Instructional Supplies and Materials	7,645	
In Service/Staff Development	144	
Other Charges	1,546	
Total Early Childhood Education		601,377
Capital Outlay		
Regular Capital Outlay		
Other Charges	$ 36,769	
Building Construction	528,529	

(Continued)

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

General Purpose School Fund (Cont.)						
Capital Outlay (Cont.)						
Regular Capital Outlay (Cont.)						
Building Improvements	$	852,440				
Heating and Air Conditioning Equipment		29,600				
Total Regular Capital Outlay			$	1,447,338		
Other Debt Service						
Education						
Debt Service Contribution to Primary Government	$	650,000				
Total Education				650,000		
Total General Purpose School Fund					$	25,622,350
School Federal Projects Fund						
Instruction						
Regular Instruction Program						
Educational Assistants	$	103,789				
Bonus Payments		12,000				
Other Salaries and Wages		73,538				
Certified Substitute Teachers		714				
Non-certified Substitute Teachers		9,975				
Social Security		11,318				
Pensions		6,118				
Life Insurance		148				
Medical Insurance		36,082				
Employer Medicare		2,811				
Lease/SBITA Payments		76,382				
Instructional Supplies and Materials		68,093				
Textbooks - Bound		68,280				
Software		17,667				
Regular Instruction Equipment		7,070				
Total Regular Instruction Program			$	493,985		
Special Education Program						
Teachers	$	62,316				
Educational Assistants		214,169				
Other Salaries and Wages		20,044				

(Continued)

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Non-certified Substitute Teachers	$ 5,288	
Social Security	18,106	
Pensions	15,982	
Life Insurance	507	
Medical Insurance	88,312	
Dental Insurance	364	
Employer Medicare	4,237	
Maintenance and Repair Services - Equipment	196	
Instructional Supplies and Materials	3,776	
Other Supplies and Materials	1,830	
Special Education Equipment	3,744	
Total Special Education Program		$ 438,871
Career and Technical Education Program		
Instructional Supplies and Materials	$ 8,204	
Software	13,496	
Other Supplies and Materials	20,694	
Other Charges	4,320	
Vocational Instruction Equipment	18,893	
Total Career and Technical Education Program		65,607
Support Services		
Other Student Support		
Other Salaries and Wages	$ 7,600	
Social Security	469	
Pensions	409	
Employer Medicare	110	
Travel	606	
Other Contracted Services	7,500	
Other Supplies and Materials	4,560	
In Service/Staff Development	51,061	
Other Charges	11,953	
Total Other Student Support		84,268

(Continued)

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program		
Supervisor/Director	$ 93,175	
Social Security	5,486	
Pensions	6,031	
Life Insurance	24	
Medical Insurance	10,026	
Dental Insurance	455	
Employer Medicare	1,283	
Lease/SBITA Payments	4,400	
Travel	970	
Other Contracted Services	39,130	
In Service/Staff Development	26,821	
Total Regular Instruction Program		$ 187,801
Special Education Program		
In-service Training	$ 1,585	
Contracts with Private Agencies	153,999	
Evaluation and Testing	1,934	
Travel	7,774	
Other Supplies and Materials	1,305	
In Service/Staff Development	7,595	
Total Special Education Program		174,192
Career and Technical Education Program		
In Service/Staff Development	$ 5,368	
Total Career and Technical Education Program		5,368
Technology		
Bonus Payments	$ 6,203	
Social Security	372	
Pensions	356	
Employer Medicare	87	
Software	59,600	
Total Technology		66,618

(Continued)

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Board of Education			
Other Fringe Benefits	$ 559		
Total Board of Education		$ 559	
Office of the Principal			
Travel	$ 1,177		
Total Office of the Principal		1,177	
Transportation			
Other Salaries and Wages	$ 1,596		
Social Security	99		
Pensions	58		
Employer Medicare	23		
Total Transportation		1,776	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 73,000		
Total Regular Capital Outlay		73,000	
Total School Federal Projects Fund			$ 1,593,222
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Cafeteria Personnel	$ 459,257		
Social Security	26,925		
Pensions	22,737		
Life Insurance	596		
Medical Insurance	207,300		
Unemployment Compensation	782		
Employer Medicare	6,297		
Maintenance and Repair Services - Equipment	34,693		
Other Contracted Services	17,026		
Food Supplies	870,802		
USDA - Commodities	112,522		

(Continued)

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Other Supplies and Materials	$ 72,219		
In Service/Staff Development	621		
Other Charges	282		
Food Service Equipment	4,999		
Total Food Service		$ 1,837,058	
Total Central Cafeteria Fund			$ 1,837,058
Internal School Fund			
Operation of Non-Instructional Services			
Community Services			
Other Charges	$ 971,393		
Total Community Services		$ 971,393	
Total Internal School Fund			971,393
Education Capital Projects Fund			
Support Services			
Board of Education			
Trustee's Commission	$ 7,664		
Total Board of Education		$ 7,664	
Total Education Capital Projects Fund			7,664
Total Governmental Funds - Polk County School Department			$ 30,031,687

SINGLE AUDIT SECTION

Jason E. Mumpower
Comptroller

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Polk County's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 27, 2026. Our report includes a reference to other auditors who audited the financial statements of Internal School Fund of the Polk County School Department (a discretely presented component unit) as described in our report on Polk County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Polk County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Polk County's internal control. Accordingly, we do not express an opinion on the effectiveness of Polk County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2025-002 and 2025-005.

Cordell Hull Building | 425 Rep. John Lewis Way N. | Nashville, Tennessee 37243

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2025-004, 2025-006(B), 2025-008, 2025-010, and 2025-011.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Polk County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001, 2025-003, 2025-006(A), 2025-007, 2025-009, and 2025-012.

Polk County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Polk County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Polk County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

January 27, 2026

JEM/gc

Tennessee Comptroller of the Treasury

Jason E. Mumpower
Comptroller

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Polk County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Polk County's major federal programs for the year ended June 30, 2025. Polk County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Polk County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 contained in *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 Polk County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Polk County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Polk County's federal programs.

Cordell Hull Building | 425 Rep. John Lewis Way N. | Nashville, Tennessee 37243

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Polk County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for noncompliance resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Polk County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Polk County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Polk County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Polk County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Polk County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Polk County's basic financial statements. We issued our report thereon dated January 27, 2026, 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

January 27, 2026

JEM/gc

POLK COUNTY, TENNESSEE, AND THE POLK COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7)
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:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (5)				
School Breakfast Program	10.553	N/A	$ 0	$ 426,481
National School Lunch Program	10.555	N/A	0	1,066,733 (6)
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (5)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	0	112,522 (6)
Rebate of Storage and Distribution Fees	10.555	(4)	0	1,384 (6)
Total U.S. Department of Agriculture				$ 1,607,120
U.S. Department of the Interior:				
Direct Program:				
Payments in Lieu of Taxes	15.226	N/A	0	$ 285,761
Total U.S. Department of the Interior				$ 285,761
U.S. Department of Justice:				
Direct Program:				
Body Worn Camera Policy and Implementation	16.835	N/A	0	$ 58,496
Total U.S. Department of Justice				$ 58,496
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Airport Improvement Program	20.106	(4)	0	$ 1,283 (6)
COVID-19 Airport Improvement Program	20.106	(4)	0	585,817 (6)
Highway Planning and Construction	20.205	(4)	0	63,233
Total U.S. Department of Transportation				$ 650,333
U.S. Department of the Treasury:				
Passed-through State Department of Environment and Conservation:				
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	(4)	(3) 901,698	$ 901,698 (6)
Passed-through State Department of Education:				
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	0	37,371 (6)
Direct Program:				
COVID 19 - Local Assistance and Tribal Consistency Fund	21.032	N/A	0	15,978
Total U.S. Department of the Treasury				$ 955,047
U.S. National Foundation on the Arts and the Humanities:				
Passed-through Tennessee Secretary of State:				
Grants to States	45.310	(4)	0	$ 2,190
Total U.S. National Foundation on the Arts and the Humanities				$ 2,190
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	$ 502,642
Migrant Education State Grant Program	84.011	N/A	0	646
Special Education Cluster (IDEA): (5)				
Special Education - Grants to States	84.027	N/A	0	581,503
Special Education - Preschool Grants	84.173	N/A	0	32,071
Career and Technical Education - Basic Grants to States	84.048	N/A	0	85,198
Twenty-first Century Community Learning Centers	84.287	N/A	0	128,691
Special Education - State Personnel Development	84.323	N/A	0	752
Supporting Effective Instruction State Grants	84.367	N/A	0	127,283
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	0	255,020 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	N/A	0	8,164 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	0	203 (6)
Passed-through State Department of Human Services:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	0	46,080
Total U.S. Department of Education				$ 1,768,253

(Continued)

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 Health and Human Services:				
Passed-through Southeast Tennessee Development District:				
Aging Cluster: (5)				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	$ 0	$ 8,000
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	0	16,662
Total U.S. Department of Health and Human Services				$ 24,662
U.S. Department of Homeland Security:				
Passed-through TN Department of Military:				
Disaster Grants - Public Assistance	97.036	(4)	0	$ 7,950
Passed-through State Department of Transportation:				
Homeland Security Grant Program	97.067	(4)	0	18,203
Total U.S. Department of Homeland Security				$ 26,153
Total Expenditures of Federal Grants				$ 5,378,015

State Grants		Contract Number		
Access and Visitation Grant - State Administrative Office of the Courts	N/A	(4)		$ 370
Senior Center - State Commission on Disability and Aging	N/A	(4)		18,385
Juvenile Services Program - State Commission on Children and Youth	N/A	(4)		9,000
TN Law Retention and Recruitment Grant - State Department of Commerce and Insurance	N/A	(4)		3,000
Training Equipment Grant - State Department of Corrections Institute	N/A	(4)		13,945
Innovative School Models - State Department of Education	N/A	N/A		800,089
Lottery for Education: After School Programs - State Department of Education	N/A	N/A		67,242
Public School Security Grant - State Department of Education	N/A	N/A		510
State Special Education Preschool Grant - State Department of Education	N/A	N/A		33,414
Summer Learning Camps - State Department of Education	N/A	N/A		165,293
Summer Learning Camps Transportation - State Department of Education	N/A	N/A		38,635
Voluntary Pre-K for Tennessee - State Department of Education	N/A	N/A		520,497
Evidence Based Programming - State Department of Finance and Administration	N/A	(4)		187,709
Violent Crime Intervention Fund Grant - State Department of Finance and Administration	N/A	(4)		7,842
Child Safety Seat Grant - State Department of Health	N/A	(4)		3,137
Local Health Services - State Department of Health	N/A	(4)		158,567
Statewide School Resource Officer Grant Program - State Department of Homeland and Security	N/A	(4)		450,000
Airport Maintenance (Mowing) - State Department of Transportation	N/A	(4)		7,196
Litter Program - State Department of Transportation	N/A	(4)		41,579
Rehabilitate Terminal Hanger - State Department of Transportation	N/A	(4)		33,053
Training Opportunities for the Public (TOP) Grant - Tennessee Secretary of State	N/A	(4)		8,075
Total State Grants				$ 2,567,538

ALN = Assistance Listing Number
N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Polk County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) SUBRECIPIENT AMOUNTS
The following amounts were paid to subrecipients from the COVID 19 - Coronavirus State And Local Fiscal Recovery Funds Grant (ARP).

Subrecipient	ALN	Amount Provided to Subrecipients
City of Benton	21.027	$ 716,133
City of Copperhill	21.027	9,600
Copper Basin Utility District	21.027	89,521
Etowah Utilities	21.027	21,444
Ocoee Utility District	21.027	65,000
Total amounts provided to subrecipients		$ 901,698

(4) Information not available.
(5) Child Nutrition Cluster total $1,607,120; Special Education Cluster (IDEA) total $613,574; Aging Cluster total $24,662.
(6) Total for ALN 10.555 is $1,180,639; Total for ALN 20.106 is $587,100; Total for ALN 21.027 is $939,069; Total for ALN 84.425 is $263,387.
(7) CONSOLIDATED ADMINISTRATION
The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	$ 113,676
Supporting Effective Instruction State Grants	84.367	10,428
Total amounts consolidated for administration purposes		$ 124,104

POLK 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 Polk County, Tennessee, for the year ended June 30, 2025.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICES OF COUNTY EXECUTIVE, DIRECTOR OF ACCOUNTS AND BUDGETS, AND HIGHWAY SUPERINTENDENT					
2024	192	2024-001	The director of accounts and budgets did not maintain the accounting records for the highway department.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	192	2024-002	Polk County has a material recurring audit finding.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF DIRECTOR OF SCHOOLS					
2024	193	2024-003	Material audit adjustments were required for proper financial statement presentation.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	194	2024-004	Accounting records for the year ended June 30, 2024, were not closed and available for audit by August 31, 2024, and accounting records for the school department were not maintained on a timely basis.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	195	2024-005	The office had deficiencies in the issuance of purchase orders.	N/A	Corrected
2024	195	2024-006	The office had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan

(Continued)

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF DIRECTOR OF SCHOOLS (CONT.)					
2024	196	2024-007	The office had accounting deficiencies.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	197	2024-008	General ledger payroll liability accounts were not reconciled.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK					
2024	197	2024-009	An investigation of the circuit and general sessions courts clerk disclosed deficiencies related to payroll and deficiencies related to a signature stamp not being properly secured.	N/A	Corrected

Prior-year Federal Award Findings

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

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

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

2. Internal Control Over Financial Reporting:

* Material weakness identified?	**YES**
* Significant deficiency identified?	**YES**

3. Noncompliance material to the financial statements noted? **YES**

Federal Awards:

4. Internal Control Over Major Federal Programs:

* Material weakness identified?	**NO**
* Significant deficiency identified?	**NONE REPORTED**

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

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

7. Identification of major federal programs:

* Assistance Listing Numbers: 10.553 and 10.555	Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
* Assistance Listing Number: 21.027	COVID 19 - Coronavirus State and Local Fiscal Recovery Funds

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

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF COUNTY EXECUTIVE, DIRECTOR OF ACCOUNTS AND BUDGETS, AND HIGHWAY SUPERINTENDENT

FINDING 2025-001 **THE DIRECTOR OF ACCOUNTS AND BUDGETS DID NOT MAINTAIN THE ACCOUNTING RECORDS FOR THE HIGHWAY DEPARTMENT**

(Material Noncompliance Under *Government Auditing Standards*)

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

RECOMMENDATION

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

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

We concur with this finding.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERINTENDENT

I concur with this finding. The county legislative body voted for the fiscal control acts of 1957 in 1978. With no repeal provisions for the 1957 acts, this finding can only be corrected with the adoption of a private act or the county financial management system of 1981 by the county legislative body. The county legislative body voted on a resolution passing a private act in a meeting in February 2024 to eliminate this finding. In the alternative, the county executive, director of accounts and budgets, and the audit committee must develop an agreeable plan on how the maintenance of the highway department accounting records are to be done by the director of accounts and budgets to be in compliance. The highway department is in agreement to work with the plan set by the county legislative body whether it be adoption of a private act, adoption of the county financial management system of 1981, or the county executive, director of accounts and budgets, and the audit committee developing an agreeable plan and chronological steps for the maintenance of the highway department accounting records to be done by the director of accounts and budgets as with the General Fund. The implementation of any of these should bring the department into compliance.

FINDING 2025-002 **POLK COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**

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

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

Finding Numbers	Description
2025-001, 2024-001, 2023-001	The director of accounts and budgets did not maintain the accounting records for the highway department.

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

RECOMMENDATION

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

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

We concur with this finding.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERINTENDENT

I concur with this finding. See comments under Finding 2025-001.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2025-003 **THE MISDEMEANOR PROBATION OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts during the months of October, November, and January to trace to deposits. The testing revealed collections in 12 instances were noted where receipts were held for 4 days to 9 days before being deposited. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

All funds should be deposited within three business days of collection as required by state statute.

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

We concur with this finding.

OFFICE OF HIGHWAY SUPERINTENDENT

FINDING 2025-004

THE OFFICE DID NOT GENERATE ITS SOFTWARE AUDIT LOGS CORRECTLY
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office generated a report that displayed adjustments made to payroll disbursements after issuance. This report provides the only audit trail of the adjustments and should be generated in a manner that promotes the detection of inappropriate activity. Although the office routinely reviewed this report, the report was not generated correctly. As a result, some changes may be missed, increasing the risk that inappropriate activity could go undetected. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

Management should ensure the report is generated correctly to support effective review.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERINTENDENT

I concur with this finding. While the report was provided by office staff, the auditor advised the office on the correct method for generating the report. Management will generate the report monthly using the adjustment date range only to capture all activity.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2025-005

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION
(Internal Control – Material Weakness Under *Government Auditing Standards*)

On June 30, 2025, certain general ledger account balances in the Central Cafeteria Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year end. Material audit adjustments were required to increase payables by $300,000 in the Central Cafeteria Fund. Generally accepted accounting principles require Polk County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting systems did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. These deficiencies were the result of a lack of management oversight, the failure to correct the finding noted in the prior-year audit report, and the failure to implement management's corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2025-006

ACCOUNTING RECORDS FOR THE YEAR ENDED JUNE 30, 2025, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2025, AND ACCOUNTING RECORDS FOR THE SCHOOL DEPARTMENT WERE NOT MAINTAINED ON A TIMELY BASIS

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

Our audit revealed deficiencies related to the administration and maintenance of the fund accounting records caused by a lack of management oversight and the failure of management to take proper responsibility for the accounting records. Also, these deficiencies exist because management failed to correct the findings noted in the prior year audit report and failed to implement their corrective action plan.

A. Accounting records were not closed and available for audit by August 31, 2025, as required by Section 9-2-102, *Tennessee Code Annotated.* The accounting records were closed and made available to auditors on October 22, 2025, and the subsidiary capital asset records were made available on January 12, 2026. The failure to properly maintain and close accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely.

B. Accounting records for the funds administered by the school department were not maintained on a current basis during the year examined. We reviewed audit logs and noted that the monthly accounting records were not closed earlier than three months after month-end during the year examined. Since accounting entries had not been posted currently, accurate monthly and annual financial reports could not be presented to the board of education and county commission to be used as management tools for financial decisions. In January 2026, we noted that that cash with trustee had not been reconciled and monthly accounting records had not been closed since September 2025.

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2025-007 **A REVENUE ANTICIPATION NOTE WAS NOT RETIRED IN COMPLIANCE WITH STATE STATUTE**
(Noncompliance Under *Government Auditing Standards*)

During the period under examination, the Central Cafeteria Fund borrowed $250,000 from the General Purpose School Fund in the form of a revenue anticipation note to provide cash flow for the payment of operational expenditures. Of these notes, no funds were paid back during the fiscal year. The note totaling $250,000 was not retired by June 30, 2025, due to the lack of available funds. Section 9-21-801, *Tennessee Code Annotated*, provides that revenue anticipation notes shall mature not later than the close of the fiscal year issued. These notes have been reflected in the financial statements of this report as Due from Other Funds in the General Purpose School Fund and as Due to Other Funds in the Central Cafeteria Fund.

RECOMMENDATION

Revenue anticipation notes should be retired prior to the end of the fiscal year issued as required by state statutes.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2025-008 **THE SCHOOL FEDERAL PROJECTS AND CENTRAL CAFETERIA FUNDS HAD DEFICITS IN UNASSIGNED FUND BALANCE ON JUNE 30, 2025**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The School Federal Projects and the Central Cafeteria funds had deficits in unassigned fund balance of $3,820 and $20,602, respectively, on June 30, 2025. The School Federal Projects Fund deficit resulted from the issuance of purchase orders totaling $23,420 where the corresponding reimbursements from the grantors had not been requested prior to June 30, 2025. The Central Cafeteria Fund deficit resulted in the recognition of a liability totaling $250,000 in the financial statements for the revenue anticipation note not being retired by June 30, 2025, due to the lack of available funds.

RECOMMENDATION

Requests for reimbursements from grant funds and the repayment of revenue anticipation notes should be made on a timely basis to prevent the recurrence of a fund deficit.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS
I concur with this finding.

FINDING 2025-009 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**
(Noncompliance Under *Government Auditing Standards*)

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

A. General Purpose School Fund expenditures exceeded appropriations approved by the county commission at the major category level (the legal level of control) in the Special Education Program major category by $44,444. School Federal Projects Fund expenditures exceeded appropriations approved by the county commission at the major category level (the legal level of control) in the Technology, Board of Education, and Office of the Principal major categories by nominal amounts.

B. Salaries exceeded appropriations in ten salary line-items of the General Purpose School Fund and in five salary line-items of the School Federal Projects Fund by amounts ranging from $36 to $47,201. The budget resolution approved by the county commission states that "the salary, wages, or remuneration of each officer, employee, or agent of the county shall not be in excess of the amounts authorized by existing law or as set forth in the estimate of expenditures which accompanies this resolution." Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

C. Several budget amendments approved by the county commission were not posted or were posted incorrectly in the General Purpose School and School Federal Projects funds. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized the budget amendments as approved by the county commission in the financial statements of this report.

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

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission. Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations. Budget amendments should be posted to the accounting records as approved by the county commission

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2025-010 **THE OFFICE HAD ACCOUNTING DEFICIENCIES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

A. We observed 513 general journal entries that were posted to the accounting records for the General Purpose School Fund and 264 general journal entries for the School Federal Projects Fund. Included in these entries were 174 general journal entries that were posted to correct previous journal entries for the General Purpose School Fund and 105 general journal entries for the School Federal Projects Fund. Sound business practices dictate that financial transactions should be accurately posted in accordance with generally accepted accounting principles. The significant number of general journal entries indicates weaknesses in internal controls related to recording financial transactions.

B. Duties were not segregated adequately among the officials and employees of the office. The finance director was responsible for preparing monthly account reconciliations and posting journal entries to the general ledger for the General Purpose School and School Federal Projects funds. These activities were performed without independent secondary review or approval. As a result, key accounting functions were not adequately segregated. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

FINDING 2025-011 **GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll liability accounts for the General Purpose School Fund were not reconciled monthly with payroll records and payments. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll records and payments monthly. The failure to regularly reconcile payroll liability accounts allows errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight. Also, these deficiencies exist because management failed to correct the findings noted in the prior year audit report and failed to implement their corrective action plan.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 2025-012 **SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts during the months of November, February, and May to trace to deposits. In circuit court, the testing revealed collections in 14 instances were noted where receipts were held from four days to 12 days before being deposited. In general sessions court, the testing revealed collections in 23 instances were noted where receipts were held for 4 days to 18 days before being deposited. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

All funds should be deposited within three business days of collection as required by state statute.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I concur with this finding.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2025.

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

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

Corrective Action Plan

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

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

Person Responsible for Implementing the Corrective Action:
Polk County Commission

Anticipated Completion Date of Corrective Action:
2026 - 2027

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
All prior attempts to revert back to general purchasing law have been unsuccessful.

Planned Corrective Action:
Contact and setup a meeting with Highway Superintendent, County Executive, Director of Accounts & Budgets, Commission Chairman and CTAS representative to discuss options on combining departments.

FINDING: POLK COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

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

Person Responsible for Implementing the Corrective Action:
Polk County Commission

Anticipated Completion Date of Corrective Action:
2026 - 2027

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Public Act that was being presented to revert county back to purchasing act of 57 was not approved.

Planned Corrective Action:
Take advice and guidance of CTAS representative to implement steps needed for the Director of Accounts & Budgets to maintain the accounting records for the highway department.

FINDING: THE MISDEMEANOR PROBATION OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION

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

Person Responsible for Implementing the Corrective Action:
Rich Kienlen, Director of Misdemeanor Probations

Anticipated Completion Date of Corrective Action:
ASAP

Repeat Finding:
No

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

Planned Corrective Action:
Setup meeting between Director of Accounts & Budgets and Director of Misdemeanor Probation Office to develop plan of action for deposits to be made within 3 days of collection.

Signature: ______________________
County Executive

AUDITOR'S COMMENTS ON CORRECTIVE ACTION PLAN

FINDING 2025-001 **THE DIRECTOR OF ACCOUNTS AND BUDGETS DID NOT MAINTAIN THE ACCOUNTING RECORDS FOR THE HIGHWAY DEPARTMENT**

The Polk County Commission has adopted the provisions of the Fiscal Control Acts of 1957, which provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and the highway superintendent. At present, there are no repeal provisions in the 1957 Acts. In lieu of implementing the 1957 Acts, the county could adopt a private act or the County Financial Management System of 1981, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments, as recommended as a best practice on page 239 of this document.

Polk County Road Department
1887 Welcome Valley Rd
Benton TN 37307

Roy G. Thomason, Jr.
Superintendent

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

Corrective Action Plan

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

Response and Corrective Action Plan Prepared by:
Roy G. Thomason, Jr., Polk County Road Superintendent

Person Responsible for Implementing the Corrective Action:
Polk County Executive/Polk County Commission/Polk County Director of Accounts and Budgets/Roy G. Thomason, Jr., Polk County Road Superintendent

Anticipated Completion Date of Corrective Action:
N/A

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
With no repeal provisions for the 1957 Acts, this finding can only be corrected with the adoption of a private act, or the County Financial Management System of 1981 by the CLB.

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

FINDING: **POLK COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**

Response and Corrective Action Plan Prepared by:
Roy G. Thomason, Jr., Polk County Road Superintendent

Person Responsible for Implementing the Corrective Action:
Roy G. Thomason, Jr., Polk County Road Superintendent

Anticipated Completion Date of Corrective Action:
N/A

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The material recurring finding to be corrected with the adoption of a private act or the County Financial Management System of 1981 by the CLB.

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

Signature: ______________________
Highway Superintendent

Polk County Road Department
1887 Welcome Valley Rd
Benton TN 37307

Roy G. Thomason, Jr.
Superintendent

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

Corrective Action Plan

FINDING: **THE OFFICE DID NOT GENERATE ITS SOFTWARE AUDIT LOGS CORRECTLY**

Response and Corrective Action Plan Prepared by:
Roy G. Thomason, Jr., Polk County Road Superintendent

Person Responsible for Implementing the Corrective Action:
Roy G. Thomason, Jr., Polk County Road Superintendent

Anticipated Completion Date of Corrective Action:
Steps have already been taken to update the process.

Repeat Finding:
No

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

Planned Corrective Action:
While the report was provided by office staff, the auditor advised the office on the correct method for generating the report. Management will generate the report monthly using the adjustment date range only to capture all activity.

Highway Superintendent

POLK COUNTY SCHOOLS

Polk County
Department of Education
PO Box 665
Benton, TN 37307
(423)-299-0471 fax (423)-338-2691

Dr. James R Jones Director of Schools

Corrective Action Plan

Finding: 2025-005 MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

Response and Corrective Action Plan Prepared by:
Treva Hyatt, Finance Director

Person Responsible for Implementing Corrective Action:
Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:
Process is already in place and will continue

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Action was taken; personnel were hired. There is a learning process for all involved.

Planned Corrective Action:
Food Service and General Purpose are working and exploring avenues to prevent any monies having to Be loaned, given, and this material finding would not be an issue.

Finding: 2025-006 <u>ACCOUNTING RECORDS FOR THE YEAR ENDED JUNE 30, 2025, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2025, AND ACCOUNTING RECORDS FOR THE SCHOOL DEPARTMENT WERE NOT MAINTAINED ON A TIMELY BASIS</u>

Response and Corrective Action Plan Prepared by:
Treva Hyatt, Finance Director

Person Responsible for Implementing the Corrective Action:
Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:
01/23/2026

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Action was taken; personnel were hired. There is a learning process for all involved.

Planned Corrective Action:
To monitor accounts more closely, so that year end would be a quicker and smoother process. I believe it did improve from the previous year and will continue to improve.

Finding: 2025-007 A REVENUE ANTICIPATION NOTE WAS NOT RETIRED IN COMPLIANCE WITH STATE STATUTE

Response and Corrective Action Plan Prepared by:
Treva Hyatt, Finance Director

Person Responsible for Implementing the Corrective Action:
Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:
This has already been taken care of

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
I thought it was done correctly.

Planned Corrective Action:
It is finished and no action will have to be taken

Finding: 2025-008 <u>THE SCHOOL FEDERAL PROJECTS FUND AND CENTRAL CAFETERIA FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE ON JUNE 30, 2025</u>

Response and Corrective Action Plan Prepared by:
Treva Hyatt, Finance Director

Person Responsible for Implementing the Corrective Action:
Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:
01/23/2026

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
Receivables were not set up correctly

Planned Corrective Action:
To make sure with eplan and look closer to make sure expenditures and revenues match

---

Finding: 2025-009 <u>THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS</u>

Response and Corrective Action Plan Prepared by:
Treva Hyatt, Finance Director

Person Responsible for Implementing the Corrective Action:
Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:
01/23/2026

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Measures were started to address this in the PR PR year, and again in PR year.

Planned Corrective Action:
We now have 2 extra employees that will help to get this process streamlined.

Finding: 2025-010 THE OFFICE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Treva Hyatt, Finance Director

Person Responsible for Implementing the Corrective Action:
Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:
01/23/2026

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Measures were started to address this in the PR PR year, and again in PR year.

Planned Corrective Action:
We now have 2 extra employees that will help to get this process streamlined.

Finding: 2025-011 **GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED**

Response and Corrective Action Plan Prepared by:
Treva Hyatt, Finance Director

Person Responsible for Implementing the Corrective Action:
Treva Hyatt, Finance Director

Anticipated Completion Date of Corrective Action:
01/23/2026

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Liability accounts have had a balance that stems from 2022. Attempts to track these account amounts have Failed to render an answer.

Planned Corrective Action:
Attempt to track and if not will ask the Board of Education if these amounts can be cleared.

Signature: ______________________
Dr. James Jones, Director of Schools

Melissa Keith Jenkins
POLK COUNTY CLERK OF COURTS
161 INDUSTRIAL ACCESS CIRCLE
P.O. BOX 256
BENTON, TENNESSEE 37307
PHONE (423) 338-4524
FAX (423) 338-8611

Corrective Action Plan

FINDING: SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

Response and Corrective Action Plan Prepared by:
Melissa Keith Jenkins, Circuit and General Sessions Courts Clerk

Person Responsible for Implementing the Corrective Action:
Melissa Keith Jenkins, Circuit and General Sessions Courts Clerk

Anticipated Completion Date of Corrective Action:
January 2026

Repeat Finding:
No

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

Planned Corrective Action:
Deposits will now be taken to the bank at least every 3 days

Signature: Melissa Jenk
Melissa Keith Jenkins, Clerk of Courts

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Polk County.

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

Polk County does not have a central system of accounting, budgeting, and purchasing for all departments. Polk County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county executive and highway superintendent but exclude the school department. However, funds under the supervision of the highway superintendent were maintained by employees of the highway department. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability, and the quality of services provided to the citizens of Polk County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.