TN Tennessee State Government

TENNESSEE STATE SCHOOL BOND AUTHORITY

AUDIT COMMITTEE MEETING AGENDA

July 27, 2026 – 9:10 AM

1. Call Meeting to Order
2. Approval of Minutes from June 23, 2025
3. Instructions for Public Comment
4. Review and Approval of Management's Risk Assessment as of 12/31/2025
   - Kayla Carr – State Finance Director
5. Review of FY25 Financial & Compliance Audit Results
   - Travis Mann – Audit Manager, Division of State Audit
6. Other Business
7. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
Audit Committee Meeting Minutes
June 23, 2025

The Tennessee State School Bond Authority (TSSBA) Audit Committee was scheduled to meet at 2:15pm CDT, or immediately following the TLDA meeting, Monday, June 23, 2025, in the Volunteer Conference Center at the Cordell Hull Building in Nashville, Tennessee.

The following members were physically present:

Secretary Tre Hargett, Acting Chairman, Tennessee Secretary of State
Angela Scott, Designee for Chairman Jim Bryson, Tennessee Department of Finance and Administration
Dick Tracy, Designee for Chancellor Tydings, Tennessee Board of Regents

The following member was absent:

Randy Boyd, President, University of Tennessee

Recognizing a quorum physically present, Chairman Hargett called the meeting to order at 3:14pm.

Chairman Hargett asked whether any members of the public were present to address the Committee. None were present. Chairman Hargett then made a motion to approve the minutes from the prior audit committee meeting, conducted on July 22, 2024. Ms. Scott seconded the motion. No questions or comments were raised. A voice vote was taken, and the motion passed unanimously.

Chairman Hargett asked Thad DelConte, Director of Internal Audit, Finance and Administration and TSSBA Audit Committee Secretary, to present management's risk assessment for the Comptroller's Division of State Government Finance to the Committee. Mr. DelConte stated that the risk assessment was included in the members' packets, that he found the assessment to be thorough and well documented, containing twelve pages of risks and mitigating controls, along with the results of their testing of each control, which found all of them to be operating effectively. He then recommended approval of the risk assessment. Chairman Hargett made a motion to approve the risk assessment, Ms. Scott seconded. The floor was opened for discussion; seeing none, a voice vote was taken and passed unanimously.

Chairman Hargett then asked Mr. DelConte to update the Committee on recent audit results. Mr. DelConte stated that the financial and compliance audit for the TSSBA for the year ended 06/30/2024 was issued in December 2024 with an unmodified opinion and zero audit findings, which means the financial statements were found to be fairly presented in all material respects. Chairman Hargett then congratulated Sandi Thompson, Director of the Comptroller's Division of State Government Finance for receiving their 22nd consecutive clean audit report. Ms. Thompson recognized her staff for their hard work and dedication, and for achieving this clean audit. Secretary Hargett then acknowledged they also received another GFOA Certificate of Achievement for Excellence in Financial Reporting. Chairman Hargett then confirmed the audit results were presented for informational purposes only and did not require action before moving to the next agenda item.

Chairman Hargett then requested a motion to adjourn, which was provided by Ms. Scott and seconded by Mr. Tracy. A voice vote was taken, and the motion passed unanimously. Meeting adjourned at 3:17pm.

Approved on this _____ day of __________, 2026.

Respectfully submitted,

Thad DelConte, TSSBA Secretary

Financial and Compliance Audit Report

Tennessee State School Bond Authority

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury

Division of State Audit

Comptroller of the Treasury, Division of State Audit
Cordell Hull Building
425 Rep. John Lewis Way N.
Nashville, TN 37243
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comptroller.tn.gov/office-functions/state-audit.html

Mission: Make Government Work Better

TENNESSEE COMPTROLLER OF THE TREASURY

Tennessee Comptroller of the Treasury

Jason E. Mumpower
Comptroller

January 12, 2026

The Honorable Bill Lee, Governor
Members of the General Assembly
Members of the Tennessee State School Bond Authority

Ladies and Gentlemen:

Transmitted herewith is the financial and compliance audit of the Tennessee State School Bond Authority for the year ended June 30, 2025.

Consideration of internal control over financial reporting and tests of compliance resulted in no audit findings.

Sincerely,

Katherine J. Stickel

Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit

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CONTENTS

TENNESSEE STATE SCHOOL BOND AUTHORITY

AUDIT HIGHLIGHTS

OPINIONS ON THE FINANCIAL STATEMENTS

The opinions on the financial statements are unmodified. Our independent auditor's report on the financial statements for the years ended June 30, 2025, and June 30, 2024, is included with the financial statements published on the Comptroller of the Treasury's website as part of the Tennessee State School Bond Authority's *Annual Comprehensive Financial Report*, available at https://comptroller.tn.gov/boards/tennessee-state-school-bond-authority/investor-information/tssba-financial-reports.html.

AUDIT FINDINGS

The audit report contains no findings.

PRIOR AUDIT FINDINGS

There were no findings in the prior audit report.

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*

The Honorable Bill Lee, Governor
Members of the General Assembly
Members of the Tennessee State School Bond Authority

We have audited the financial statements of the Tennessee State School Bond Authority, a component unit of the State of Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Tennessee State School Bond Authority's basic financial statements, and have issued our report thereon dated December 4, 2025. 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tennessee State School Bond Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tennessee State School Bond Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tennessee State School Bond Authority's internal control.

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

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severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tennessee State School Bond Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts (including the bond resolutions), 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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, 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit
December 4, 2025