



## ANNUAL FINANCIAL REPORT

### Polk County, Tennessee

*For the Year Ended June 30, 2023*

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



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**POLK COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

*COMPTROLLER OF THE TREASURY*  
*JASON E. MUMPOWER*

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

*STEVE REEDER, CPA, CGFM, CFE*  
*Audit Manager*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov).

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**POLK COUNTY, TENNESSEE**  
**TABLE OF CONTENTS**

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	Exhibit	Page(s)
Summary of Audit Findings		6-7
<u>INTRODUCTORY SECTION</u>		8
Polk County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	25
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	26-28
Other Special Revenue Fund	C-6	29
Highway/Public Works Fund	C-7	30
Fiduciary Funds:		
Statement of Net Position	D-1	31
Statement of Changes in Net Position	D-2	32
Index and Notes to the Financial Statements		33-88
REQUIRED SUPPLEMENTARY INFORMATION:		89
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-1	90
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	E-2	91
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Polk County School Department	E-3	92
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Polk County School Department	E-4	93

	Exhibit	Page(s)
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Polk County School Department	E-5	94
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Polk County School Department	E-6	95
Schedule of Changes in Total OPEB Liability and Related Ratios - Local Education Plan – Discretely Presented Polk County School Department	E-7	96
Notes to the Required Supplementary Information		97
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		98
Nonmajor Governmental Funds:		99-100
Combining Balance Sheet	F-1	101-104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	105-106
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	F-3	107
Drug Control Fund	F-4	108
General Capital Projects Fund	F-5	109
Other Capital Projects Fund	F-6	110
Major Governmental Fund:		111
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	112
Fiduciary Funds:		113
Combining Statement of Net Position - Custodial Funds	H-1	114
Combining Statement of Changes in Net Position – Custodial Funds	H-2	115
Component Unit:		
Discretely Presented Polk County School Department:		116
Statement of Activities	I-1	117
Balance Sheet – Governmental Funds	I-2	118-119
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	120
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	121
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	122
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	124
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	125-126
School Federal Projects Fund	I-9	127
Central Cafeteria Fund	I-10	128
Proprietary Fund:		
Statement of Net Position	I-11	129
Statement of Revenues, Expenses, and Changes in Net Position	I-12	130
Statement of Cash Flows	I-13	131

	Exhibit	Page(s)
Miscellaneous Schedules:		132
Schedule of Changes in Long-term Notes and Other Loans	J-1	133
Schedule of Long-term Debt Requirements by Year	J-2	134
Schedule of Transfers	J-3	135
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Polk County School Department	J-4	136-137
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	138-151
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Polk County School Department	J-6	152-155
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	156-170
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Polk County School Department	J-8	171-183
 <u>SINGLE AUDIT SECTION</u>		 184
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 <i>Government Auditing Standards</i>		185-187
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 Uniform Guidance		188-191
Schedule of Expenditures of Federal Awards and State Grants		192-193
Summary Schedule of Prior Year Findings		194-195
Schedule of Findings and Questioned Costs		196-206
Management's Corrective Action Plan		207-219
Best Practice		220

# ***Summary of Audit Findings***

Annual Financial Report  
Polk County, Tennessee  
For the Year Ended June 30, 2023

## ***Scope***

We have audited the basic financial statements of Polk County as of and for the year ended June 30, 2023.

## ***Results***

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

Our audit resulted in 11 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.

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### **OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

- ◆ General ledger payroll liability accounts were not reconciled.
- 



## **OFFICES OF HIGHWAY SUPERINTENDENT AND DIRECTOR OF SCHOOLS**

- ◆ Funds maintained by the highway department and school department required material audit adjustments for proper financial statement presentation.
- 

## **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Accounting records for the year ended June 30, 2023, were not closed and available for audit by August 31, 2023, and accounting records for the school department were not maintained on a timely basis.
  - ◆ The office had deficiencies in the issuance of purchase orders.
  - ◆ The office had deficiencies in budget operations.
  - ◆ The office had accounting deficiencies.
- 

## **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

- ◆ An investigation of the Polk County Circuit Court Clerk revealed several deficiencies.
  - ◆ Investment transactions were not posted to the general ledger.
- 

## **OFFICE OF SHERIFF**

- ◆ Commissary bank statements were not reconciled properly with the general ledger.
- 



# INTRODUCTORY SECTION



# Polk County Officials

## June 30, 2023

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### **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**

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

### **Board of Education**

Angie Crowder, Chairman	Alex Pell
Dustin Cain	Nick Ratcliff
Josh Cain	Jill Rose
David Goode	Josh Rose
Jayson Lamb	Tim Worthy

### **Audit Committee**

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

# 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, 2023, 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, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General, Other Special Revenue, 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 1.87 percent, 2.08 percent, and 2.67 percent respectively, of the assets, net position, and revenues of the discretely presented Polk County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

### ***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 GAAS 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 GAAS 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 February 28, 2024, 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

February 28, 2024

JEM/gc

# BASIC FINANCIAL STATEMENTS

Exhibit A

Polk County, Tennessee  
Statement of Net Position  
June 30, 2023

	<u>Primary Governmental Activities</u>	<u>Component Unit Polk County School Department</u>
<u>ASSETS</u>		
Cash	\$ 1,610	\$ 510,555
Equity in Pooled Cash and Investments	11,465,994	4,220,807
Investments	3,735,525	0
Accounts Receivable	82,137	114,575
Due from Other Governments	896,678	1,842,322
Due from Component Units	998	0
Property Taxes Receivable	12,909,848	2,207,101
Allowance for Uncollectible Property Taxes	(471,202)	(80,534)
Other Current Assets	0	883
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	197,939
Net Pension Asset - Teacher Retirement Plan	0	53,130
Net Pension Asset - Teacher Legacy Pension Plan	0	3,365,455
Capital Assets:		
Assets Not Depreciated:		
Land	0	401,500
Construction in Progress	250,193	17,300
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	7,072,236	10,747,253
Infrastructure	4,084,902	0
Other Capital Assets	1,820,134	1,495,455
Total Assets	<u>\$ 41,849,053</u>	<u>\$ 25,093,741</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 365,106	\$ 726,514
Pension Changes in Assumptions	802,957	2,544,416
Pension Changes in Investment Earnings	33,269	89,786
Pension Changes in Proportion	0	32,502
Pension Contributions After Measurement Date	275,622	934,826
OPEB Changes in Experience	0	207,411
OPEB Changes in Assumptions	0	291,827
OPEB Changes in Proportion	0	188,127
OPEB Contributions After Measurement Date	0	138,851
Total Deferred Outflows of Resources	<u>\$ 1,476,954</u>	<u>\$ 5,154,260</u>

(Continued)



Exhibit A

Polk County, Tennessee  
Statement of Net Position (Cont.)

	<u>Primary Governmental Activities</u>	<u>Component Unit Polk County School Department</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 79,415	\$ 373,847
Accrued Payroll	0	106
Payroll Deductions Payable	38,177	19,830
Accrued Interest Payable	43,380	0
Due to State of Tennessee	1,094	4,455
Due to Other Governments	2,675,174	0
Noncurrent Liabilities:		
Due Within One Year - Debt	2,176,548	0
Due Within One Year - Other	13,459	0
Due in More Than One Year - Debt	2,410,106	0
Due in More Than One Year - Other	143,840	3,650,516
Total Liabilities	<u>\$ 7,581,193</u>	<u>\$ 4,048,754</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 12,095,654	\$ 2,053,489
Pension Changes in Experience	234,582	710,168
Pension Changes in Proportion	0	309,162
OPEB Changes in Experience	0	283,494
OPEB Changes in Assumptions	0	534,899
OPEB Changes in Proportion	0	91,365
Total Deferred Inflows of Resources	<u>\$ 12,330,236</u>	<u>\$ 3,982,577</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 11,737,215	\$ 12,661,508
Restricted for:		
General Government	231,471	0
Finance	88,641	0
Administration of Justice	735,770	0
Public Safety	263,551	0
Public Health and Welfare	116,092	0
Highways/Public Works	2,479,853	0
Debt Service	4,720,759	0
Capital Outlay	44,714	0
Education	0	1,894,049
Pensions	0	3,616,524
Unrestricted	<u>2,996,512</u>	<u>4,044,589</u>
Total Net Position	<u>\$ 23,414,578</u>	<u>\$ 22,216,670</u>

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

Exhibit B

Polk County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Polk County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,957,963	\$ 295,882	\$ 197,787	\$ 0	\$ (1,464,294)	\$ 0
Finance	831,232	545,557	0	0	(285,675)	0
Administration of Justice	741,001	446,289	160,792	0	(133,920)	0
Public Safety	6,142,219	1,338,777	220,413	0	(4,583,029)	0
Public Health and Welfare	1,886,943	14,520	184,439	0	(1,687,984)	0
Social, Cultural, and Recreational Services	173,114	470	161,047	0	(11,597)	0
Agriculture and Natural Resources	96,908	0	0	0	(96,908)	0
Highways/Public Works	3,481,293	356,311	2,636,610	0	(488,372)	0
Education	218,815	0	0	0	(218,815)	0
Interest on Long-term Debt	235,068	0	0	0	(235,068)	0
Total Primary Government	<u>\$ 15,764,556</u>	<u>\$ 2,997,806</u>	<u>\$ 3,561,088</u>	<u>\$ 0</u>	<u>\$ (9,205,662)</u>	<u>\$ 0</u>
Component Unit:						
Polk County School Department	<u>\$ 27,449,530</u>	<u>\$ 78,125</u>	<u>\$ 8,010,640</u>	<u>\$ 213,000</u>	<u>\$ 0</u>	<u>\$ (19,147,765)</u>
Total Component Unit	<u>\$ 27,449,530</u>	<u>\$ 78,125</u>	<u>\$ 8,010,640</u>	<u>\$ 213,000</u>	<u>\$ 0</u>	<u>\$ (19,147,765)</u>

(Continued)

Exhibit B

Polk County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Polk County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 6,088,776	\$ 1,508,779
Property Taxes Levied for Debt Service					1,090,034	0
Local Option Sales Taxes					0	3,205,213
Hotel/Motel Tax					132,801	0
Litigation Tax - General					46,501	0
Litigation Tax - Jail, Workhouse, or Courthouse					28,492	0
Business Tax					88,187	0
Wholesale Beer Tax					190,913	0
Other Local Taxes					58,875	28,999
Grants and Contributions Not Restricted to Specific Programs					2,259,065	15,475,800
Unrestricted Investment Earnings					13,494	13,457
Miscellaneous					161,570	94,463
Sale of Equipment					289,589	6,700
Total General Revenues					<u>\$ 10,448,297</u>	<u>\$ 20,333,411</u>
Insurance Recovery					<u>\$ 2,400</u>	<u>\$ 0</u>
Change in Net Position					\$ 1,245,035	\$ 1,185,646
Net Position, July 1, 2022					22,169,543	21,032,454
Prior Period Adjustment - See Note I.D.9.					<u>0</u>	<u>(1,430)</u>
Net Position, June 30, 2023					<u>\$ 23,414,578</u>	<u>\$ 22,216,670</u>

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

Exhibit C-1

Polk County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2023

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	1,610	\$ 1,610
Equity in Pooled Cash and Investments	6,001,273	1,681,577	1,880,142	952,753	950,249	11,465,994
Investments	0	0	0	3,735,525	0	3,735,525
Accounts Receivable	64,396	0	0	4,544	13,197	82,137
Due from Other Governments	288,164	0	597,261	206	11,047	896,678
Due from Other Funds	13,292	0	13,090	0	10,587	36,969
Due from Component Units	0	0	998	0	0	998
Property Taxes Receivable	9,854,409	0	0	1,724,324	1,331,115	12,909,848
Allowance for Uncollectible Property Taxes	(359,670)	0	0	(62,933)	(48,599)	(471,202)
<b>Total Assets</b>	<b>\$ 15,861,864</b>	<b>\$ 1,681,577</b>	<b>\$ 2,491,491</b>	<b>\$ 6,354,419</b>	<b>\$ 2,269,206</b>	<b>\$ 28,658,557</b>
<u>LIABILITIES</u>						
Accounts Payable	\$ 5,674	\$ 0	\$ 0	\$ 14,856	\$ 58,885	\$ 79,415
Payroll Deductions Payable	31,269	0	0	0	6,908	38,177
Due to Other Funds	22,754	0	0	0	14,215	36,969
Due to State of Tennessee	989	0	0	0	105	1,094
Due to Other Governments	0	2,195,195	0	0	479,979	2,675,174
Matured Interest on Bonds	0	0	0	5,827	0	5,827
<b>Total Liabilities</b>	<b>\$ 60,686</b>	<b>\$ 2,195,195</b>	<b>\$ 0</b>	<b>\$ 20,683</b>	<b>\$ 560,092</b>	<b>\$ 2,836,656</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 9,226,464	\$ 0	\$ 0	\$ 1,612,977	\$ 1,256,213	\$ 12,095,654
Deferred Delinquent Property Taxes	256,396	0	0	46,270	25,139	327,805
Other Deferred/Unavailable Revenue	32,510	0	197,208	0	0	229,718
<b>Total Deferred Inflows of Resources</b>	<b>\$ 9,515,370</b>	<b>\$ 0</b>	<b>\$ 197,208</b>	<b>\$ 1,659,247</b>	<b>\$ 1,281,352</b>	<b>\$ 12,653,177</b>

(Continued)

Exhibit C-1

Polk County, Tennessee  
Balance Sheet  
Governmental Funds (Cont.)

	Major Funds				Nonmajor	Total
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 204,099	\$ 0	\$ 0	\$ 0	\$ 0	\$ 204,099
Restricted for Finance	75,349	0	0	0	0	75,349
Restricted for Administration of Justice	735,770	0	0	0	0	735,770
Restricted for Public Safety	87,155	0	0	0	176,396	263,551
Restricted for Public Health and Welfare	5,205	0	0	0	85,748	90,953
Restricted for Other Operations	0	0	0	0	27,372	27,372
Restricted for Highways/Public Works	0	0	2,294,283	0	0	2,294,283
Restricted for Debt Service	0	0	0	4,674,489	0	4,674,489
Restricted for Capital Projects	44,714	0	0	0	0	44,714
Committed:						
Committed for Capital Outlay	0	0	0	0	49,446	49,446
Assigned:						
Assigned for General Government	10,557	0	0	0	0	10,557
Assigned for Finance	10,972	0	0	0	0	10,972
Assigned for Administration of Justice	864	0	0	0	0	864
Assigned for Public Safety	43,500	0	0	0	88,800	132,300
Assigned for Public Health and Welfare	2,173	0	0	0	0	2,173
Assigned for Social, Cultural, and Recreational Services	80	0	0	0	0	80
Assigned for Agriculture and Natural Resources	88	0	0	0	0	88
Assigned for Other Operations	58,830	0	0	0	0	58,830
Unassigned	5,006,452	(513,618)	0	0	0	4,492,834
Total Fund Balances	<u>\$ 6,285,808</u>	<u>\$ (513,618)</u>	<u>\$ 2,294,283</u>	<u>\$ 4,674,489</u>	<u>\$ 427,762</u>	<u>\$ 13,168,724</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,861,864</u>	<u>\$ 1,681,577</u>	<u>\$ 2,491,491</u>	<u>\$ 6,354,419</u>	<u>\$ 2,269,206</u>	<u>\$ 28,658,557</u>

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

Exhibit C-2

Polk County, Tennessee  
Reconciliation of the Balance Sheet of Governmental  
Funds to the Statement of Net Position  
June 30, 2023

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)		\$ 13,168,724
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: construction in progress	\$ 250,193	
Add: buildings and improvements net of accumulated depreciation	7,072,236	
Add: infrastructure net of accumulated depreciation	4,084,902	
Add: other capital assets net of accumulated depreciation	<u>1,820,134</u>	13,227,465
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (295,000)	
Less: other loans payable	(4,291,654)	
Less: compensated absences payable	(134,589)	
Less: pension liability	(22,710)	
Less: accrued interest on debt	<u>(37,553)</u>	(4,781,506)
(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	\$ 1,476,954	
Less: deferred inflows of resources related to pensions	<u>(234,582)</u>	1,242,372
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>557,523</u>
Net position of governmental activities (Exhibit A)		<u>\$ 23,414,578</u>

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

Exhibit C-3

Polk County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 6,362,123	\$ 0	\$ 0	\$ 1,134,811	\$ 565,878	\$ 8,062,812
Licenses and Permits	139,366	0	0	0	0	139,366
Fines, Forfeitures, and Penalties	114,628	0	0	0	76,679	191,307
Charges for Current Services	86,869	0	0	0	109,682	196,551
Other Local Revenues	451,181	0	466,253	13,491	33,728	964,653
Fees Received From County Officials	852,275	0	0	0	0	852,275
State of Tennessee	2,565,833	0	2,387,302	105,049	68,006	5,126,190
Federal Government	69,221	6,075	281,166	0	0	356,462
Other Governments and Citizens Groups	183,309	0	0	876,297	73,571	1,133,177
<b>Total Revenues</b>	<b>\$ 10,824,805</b>	<b>\$ 6,075</b>	<b>\$ 3,134,721</b>	<b>\$ 2,129,648</b>	<b>\$ 927,544</b>	<b>\$ 17,022,793</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 1,284,407	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,284,407
Finance	829,790	0	0	0	410	830,200
Administration of Justice	738,997	0	0	0	0	738,997
Public Safety	5,964,249	0	0	0	189,328	6,153,577
Public Health and Welfare	1,185,600	0	0	0	695,281	1,880,881
Social, Cultural, and Recreational Services	172,367	0	0	0	0	172,367
Agriculture and Natural Resources	96,908	0	0	0	0	96,908
Other Operations	361,850	0	0	0	26,550	388,400
Highways	0	0	3,606,369	0	0	3,606,369
Debt Service:						
Principal on Debt	0	0	0	2,089,081	0	2,089,081
Interest on Debt	0	0	0	235,988	0	235,988
Other Debt Service	0	0	0	34,972	0	34,972

(Continued)

Exhibit C-3

Polk County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects - Donated	\$ 0	\$ 0	\$ 0	\$ 0	213,000	\$ 213,000
Total Expenditures	\$ 10,634,168	\$ 0	\$ 3,606,369	\$ 2,360,041	\$ 1,124,569	\$ 17,725,147
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 190,637	\$ 6,075	\$ (471,648)	\$ (230,393)	\$ (197,025)	\$ (702,354)
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	213,000	\$ 213,000
Proceeds from Sale of Capital Assets	0	0	185,000	0	5,269	190,269
Insurance Recovery	2,400	0	0	0	14,970	17,370
Transfers In	519,693	0	9,000	153,615	0	682,308
Transfers Out	(9,000)	(519,693)	(153,615)	0	0	(682,308)
Total Other Financing Sources (Uses)	\$ 513,093	\$ (519,693)	\$ 40,385	\$ 153,615	\$ 233,239	\$ 420,639
<u>Net Change in Fund Balances</u>						
Fund Balance, July 1, 2022	\$ 5,582,078	\$ 0	\$ 2,725,546	\$ 4,751,267	\$ 391,548	\$ 13,450,439
Fund Balance, June 30, 2023	\$ 6,285,808	\$ (513,618)	\$ 2,294,283	\$ 4,674,489	\$ 427,762	\$ 13,168,724

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



Exhibit C-4

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, 2023

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)		\$ (281,715)
(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	\$ 619,826	
Less: current-year depreciation expense	<u>(863,620)</u>	(243,794)
(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		(77,953)
(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, 2023	\$ 557,523	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(573,125)</u>	(15,602)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: other loan proceeds	\$ (213,000)	
Add: principal payments on notes	140,000	
Add: principal payments on other loans	<u>1,949,081</u>	1,876,081
(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	\$ 920	
Change in compensated absences payable	(7,647)	
Change in net pension liability/asset	(1,654,534)	
Change in deferred outflows related to pensions	87,557	
Change in deferred inflows related to pensions	<u>1,561,722</u>	(11,982)
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,245,035</u>

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

Exhibit C-5

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,362,123	\$ 0	\$ 0	\$ 6,362,123	\$ 6,090,269	\$ 6,090,269	\$ 271,854
Licenses and Permits	139,366	0	0	139,366	106,650	106,650	32,716
Fines, Forfeitures, and Penalties	114,628	0	0	114,628	92,335	92,554	22,074
Charges for Current Services	86,869	0	0	86,869	72,860	74,260	12,609
Other Local Revenues	451,181	0	0	451,181	185,000	311,934	139,247
Fees Received From County Officials	852,275	0	0	852,275	776,000	776,000	76,275
State of Tennessee	2,565,833	0	0	2,565,833	2,169,725	2,195,179	370,654
Federal Government	69,221	0	0	69,221	42,600	42,600	26,621
Other Governments and Citizens Groups	183,309	0	0	183,309	107,000	107,000	76,309
<b>Total Revenues</b>	<b>\$ 10,824,805</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,824,805</b>	<b>\$ 9,642,439</b>	<b>\$ 9,796,446</b>	<b>\$ 1,028,359</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 72,051	\$ 0	\$ 0	\$ 72,051	\$ 112,886	\$ 116,086	\$ 44,035
Board of Equalization	0	0	0	0	3,000	3,000	3,000
County Mayor/Executive	170,552	0	0	170,552	173,300	173,300	2,748
County Attorney	36,708	0	0	36,708	37,678	37,678	970
Election Commission	238,010	(35)	75	238,050	251,408	251,409	13,359
Register of Deeds	185,264	0	0	185,264	177,052	193,397	8,133
County Buildings	263,822	(46,762)	4,479	221,539	206,982	228,023	6,484
Other General Administration	318,000	(37,981)	6,003	286,022	232,198	296,962	10,940
<u>Finance</u>							
Accounting and Budgeting	97,320	0	0	97,320	107,150	112,979	15,659
Property Assessor's Office	223,406	(2,228)	10,672	231,850	250,544	250,544	18,694
County Trustee's Office	223,214	(35)	135	223,314	240,927	240,927	17,613
County Clerk's Office	285,850	0	165	286,015	283,887	296,125	10,110
<u>Administration of Justice</u>							
Circuit Court	271,082	0	623	271,705	272,846	277,427	5,722
General Sessions Court	139,168	0	0	139,168	140,372	140,372	1,204
Chancery Court	217,267	0	0	217,267	218,443	223,443	6,176

(Continued)

Exhibit C-5

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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Juvenile Court	\$ 68,179	\$ (500)	\$ 240	\$ 67,919	\$ 71,574	\$ 72,377	\$ 4,458
Probation Services	43,301	0	0	43,301	43,301	43,301	0
<u>Public Safety</u>							
Sheriff's Department	2,507,464	(14,563)	8,401	2,501,302	2,369,091	2,624,156	122,854
Correctional Incentive Program Improvements	3,195,516	(6,050)	9,868	3,199,334	3,227,433	3,455,466	256,132
Civil Defense	94,434	(3,159)	20,100	111,375	80,000	115,000	3,625
Rescue Squad	134,801	(14,776)	4,614	124,639	127,540	127,539	2,900
Other Emergency Management	32,034	(1,600)	519	30,953	13,536	31,394	441
<u>Public Health and Welfare</u>							
Local Health Center	55,587	(2,181)	1,300	54,706	58,964	58,964	4,258
Ambulance/Emergency Medical Services	900,000	0	0	900,000	900,000	900,000	0
Crippled Children Services	1,250	0	0	1,250	1,250	1,250	0
Other Local Health Services	16,751	0	0	16,751	18,761	18,761	2,010
Sanitation Education/Information	56,679	(145)	873	57,407	54,952	58,528	1,121
Other Public Health and Welfare	155,333	0	0	155,333	202,100	202,100	46,767
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	20,899	0	0	20,899	22,115	22,115	1,216
Libraries	145,170	(434)	80	144,816	132,835	147,728	2,912
Other Social, Cultural, and Recreational	6,298	0	0	6,298	6,500	9,700	3,402
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	75,123	0	88	75,211	75,346	75,346	135
Soil Conservation	21,785	0	0	21,785	21,785	21,785	0
<u>Other Operations</u>							
Other Economic and Community Development	19,284	0	0	19,284	20,200	20,200	916
Airport	82,503	0	43,462	125,965	3,000	126,917	952
Veterans' Services	31,806	0	0	31,806	33,204	33,204	1,398
Other Charges	137,839	0	0	137,839	130,000	136,185	(1,654)
Contributions to Other Agencies	90,418	(10,000)	15,367	95,785	75,000	104,000	8,215
<b>Total Expenditures</b>	<b>\$ 10,634,168</b>	<b>\$ (140,449)</b>	<b>\$ 127,064</b>	<b>\$ 10,620,783</b>	<b>\$ 10,397,160</b>	<b>\$ 11,247,688</b>	<b>\$ 626,905</b>

(Continued)

Exhibit C-5

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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 190,637	\$ 140,449	\$ (127,064)	\$ 204,022	\$ (754,721)	\$ (1,451,242)	\$ 1,655,264
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,400	\$ 0	\$ 0	\$ 2,400	\$ 0	\$ 2,400	\$ 0
Transfers In	519,693	0	0	519,693	519,693	519,693	0
Transfers Out	(9,000)	0	0	(9,000)	0	(9,000)	0
Total Other Financing Sources	\$ 513,093	\$ 0	\$ 0	\$ 513,093	\$ 519,693	\$ 513,093	\$ 0
Net Change in Fund Balance	\$ 703,730	\$ 140,449	\$ (127,064)	\$ 717,115	\$ (235,028)	\$ (938,149)	\$ 1,655,264
Fund Balance, July 1, 2022	5,582,078	(140,449)	0	5,441,629	4,686,395	4,686,395	755,234
Fund Balance, June 30, 2023	\$ 6,285,808	\$ 0	\$ (127,064)	\$ 6,158,744	\$ 4,451,367	\$ 3,748,246	\$ 2,410,498

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

Exhibit C-6

Polk County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Special Revenue Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 6,075	\$ 0	\$ 0	\$ 6,075
Total Revenues	\$ 6,075	\$ 0	\$ 0	\$ 6,075
<u>Expenditures</u>				
<u>Other Operations</u>				
American Rescue Plan Act Grant #6	\$ 0	\$ 1,675,000	\$ 1,675,000	\$ 1,675,000
Total Expenditures	\$ 0	\$ 1,675,000	\$ 1,675,000	\$ 1,675,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,075	\$ (1,675,000)	\$ (1,675,000)	\$ 1,681,075
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (519,693)	\$ (519,693)	\$ (519,693)	\$ 0
Total Other Financing Sources	\$ (519,693)	\$ (519,693)	\$ (519,693)	\$ 0
Net Change in Fund Balance	\$ (513,618)	\$ (2,194,693)	\$ (2,194,693)	\$ 1,681,075
Fund Balance, July 1, 2022	0	2,195,195	2,195,195	(2,195,195)
Fund Balance, June 30, 2023	\$ (513,618)	\$ 502	\$ 502	\$ (514,120)

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

Exhibit C-7

Polk County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 466,253	\$ 0	\$ 466,253	\$ 485,012	\$ 485,012	\$ (18,759)
State of Tennessee	2,387,302	0	2,387,302	2,591,109	2,591,109	(203,807)
Federal Government	281,166	0	281,166	55,000	55,000	226,166
Total Revenues	<u>\$ 3,134,721</u>	<u>\$ 0</u>	<u>\$ 3,134,721</u>	<u>\$ 3,131,121</u>	<u>\$ 3,131,121</u>	<u>\$ 3,600</u>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 253,309	\$ 460	\$ 253,769	\$ 284,020	\$ 299,390	\$ 45,621
Highway and Bridge Maintenance	1,782,808	47,991	1,830,799	2,339,108	2,443,208	612,409
Operation and Maintenance of Equipment	637,870	16,076	653,946	774,000	818,500	164,554
Other Charges	92,295	0	92,295	102,500	106,100	13,805
Employee Benefits	225,665	0	225,665	186,000	251,000	25,335
Capital Outlay	614,422	0	614,422	844,530	1,264,067	649,645
Total Expenditures	<u>\$ 3,606,369</u>	<u>\$ 64,527</u>	<u>\$ 3,670,896</u>	<u>\$ 4,530,158</u>	<u>\$ 5,182,265</u>	<u>\$ 1,511,369</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (471,648)</u>	<u>\$ (64,527)</u>	<u>\$ (536,175)</u>	<u>\$ (1,399,037)</u>	<u>\$ (2,051,144)</u>	<u>\$ 1,514,969</u>
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 185,000	\$ 0	\$ 185,000	\$ 0	\$ 0	\$ 185,000
Transfers In	9,000	0	9,000	0	9,000	0
Transfers Out	(153,615)	0	(153,615)	(612,118)	(612,118)	458,503
Total Other Financing Sources	<u>\$ 40,385</u>	<u>\$ 0</u>	<u>\$ 40,385</u>	<u>\$ (612,118)</u>	<u>\$ (603,118)</u>	<u>\$ 643,503</u>
Net Change in Fund Balance	\$ (431,263)	\$ (64,527)	\$ (495,790)	\$ (2,011,155)	\$ (2,654,262)	\$ 2,158,472
Fund Balance, July 1, 2022	<u>2,725,546</u>	<u>0</u>	<u>2,725,546</u>	<u>3,150,891</u>	<u>3,150,891</u>	<u>(425,345)</u>
Fund Balance, June 30, 2023	<u>\$ 2,294,283</u>	<u>\$ (64,527)</u>	<u>\$ 2,229,756</u>	<u>\$ 1,139,736</u>	<u>\$ 496,629</u>	<u>\$ 1,733,127</u>

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

Exhibit D-1

Polk County, Tennessee  
Statement of Net Position  
Fiduciary Funds  
June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 605,867
Accounts Receivable	1,072
Due from Other Governments	<u>133,543</u>
Total Assets	<u>\$ 740,482</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 133,543</u>
Total Liabilities	<u>\$ 133,543</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 606,939</u>
Total Net Position	<u><u>\$ 606,939</u></u>

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

Exhibit D-2

Polk County, Tennessee  
Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 770,845
Fines/Fees and Other Collections	5,428,199
Total Additions	<u>\$ 6,199,044</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 770,845
Payments to State	2,590,174
Payments to Cities, Individuals, and Others	3,139,763
Total Deductions	<u>\$ 6,500,782</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (301,738)
Net Position, July 1, 2022	<u>908,677</u>
Net Position, June 30, 2023	<u><u>\$ 606,939</u></u>

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



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**POLK COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	34
B. Government-wide and Fund Financial Statements	35
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	36
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	39
2. Receivables and Payables	40
3. Restricted Assets	41
4. Capital Assets	41
5. Deferred Outflows/Inflows of Resources	42
6. Compensated Absences	42
7. Long-term Debt and Long-term Obligations	43
8. Net Position and Fund Balance	44
9. Prior-period Adjustment	45
E. Pension Plans	46
F. Other Postemployment Benefit Plan	46
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	47
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	47
<b>III. Stewardship, Compliance, and Accountability</b>	
A. Budgetary Information	47
B. Fund Deficit	48
C. Expenditures Exceeded Appropriations	49
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	49
B. Capital Assets	54
C. Interfund Receivables, Payables, and Transfers	56
D. Long-term Debt	57
E. Long-term Obligations	60
F. On-Behalf Payments	62
<b>V. Other Information</b>	
A. Risk Management	62
B. Accounting Changes	63
C. Contingent Liabilities	64
D. Change in Administration	64
E. Joint Venture	64
F. Jointly Governed Organization	65
G. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	65
2. Deferred Compensation	82
H. Other Postemployment Benefits (OPEB)	82
I. Termination Benefits	87
J. Office of Central Accounting, Budgeting, and Purchasing	87
K. Purchasing Laws	88
L. Subsequent Events	88

**POLK COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

**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, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The 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 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 can be obtained from its administrative office at the following address:

Administrative Office:

Polk County Emergency Communications District  
6034 Highway 411  
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 \$213,000 were contributed by the county to the school department during the year ended June 30, 2023.

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 equity, 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. 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.

**Other Special Revenue Fund** – This special revenue fund accounts for funding related to the American Rescue Plan Act Grant. Grant revenue is the foundational revenue 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.

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

**Education Capital Projects Fund** – 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 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 (FY23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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 were no expenses from this fund during the year examined. At June 30, 2023, the balance in this fund totaled \$41,225.

**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. In addition, an investment of property is held by the county's 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.

## **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 3.65 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:

<u>Assets</u>	<u>Years</u>
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, pension changes in investment earnings, and employer contributions made to the pension and OPEB plans after the measurement date.

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

It is the policy of the county and the highway department to permit employees to accumulate earned but unused vacation and sick leave benefits. 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. There is no liability for unpaid accumulated sick leave since the county and the highway department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

The general policy of the discretely presented Polk County School Department does not allow for the accumulation of vacation days beyond fiscal year-end. Employees who work 11 months are granted one week of vacation a year, and 12-month employees are granted two weeks of vacation a year. All vacation pay is accrued when incurred in the government-wide financial statements for the school department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All professional personnel (teachers) of the school department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

## **7. Long-term Debt and Long-Term Obligations**

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial

statements. Liabilities and expenditures for other long-term obligations, including compensated absences, pensions, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

## **8. Net Position and Fund Balance**

In the government-wide financial statements 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 \$8,680,851 of restricted net position, of which \$505,877 is restricted by enabling legislation.

As of June 30, 2023, Polk County had \$3,096,404 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. Prior-period Adjustment**

Beginning fund balance was restated \$1,430 from the prior year in the discretely presented school department's Internal School Fund because payables had been omitted in the prior year.

**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 capital projects funds (except for the Other Capital Projects Fund), which 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/Executive, 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.

At June 30, 2023, Polk County and the Polk County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 127,064
Highway/Public Works	64,527
Nonmajor Funds:	
Solid Waste/Sanitation	9,900
Other Capital Projects	88,800
School Department:	
Major Funds:	
General Purpose School	14,387
School Federal Projects	21,793

**B. Fund Deficit**

The Other Special Revenue Fund had a fund deficit of \$513,618 due to the grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL 21.027). The grant expenditures can only be reported in April of each year, and fund revenues are not recognized until the expenditures are reported. Polk County made expenditures of grant funds in the current period, but they have yet to report these expenditures which resulted in the deficit.



**C. Expenditures Exceeded Appropriations**

Expenditures exceeded total appropriations approved by the county commission in the General Purpose School Fund and the Central Cafeteria Fund by \$49,360 and \$368,725, respectively. Expenditures exceeded appropriations approved by the county commission in major appropriation categories (the legal level of control) of various funds administered by the county and the discretely presented school department as reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Fund:	
Other Operations - Other Charges	\$ 1,654
Solid Waste/Sanitation Fund:	
Other Operations - Other Charges	262
Other Capital Projects Fund:	
Other Operations - Other Charges	46
School Federal Projects Fund:	
Support Services - Career and Technical Education Program	405

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 funds noted above.

**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.

**Investment Balance.** As of June 30, 2023, Polk County reflects a nonpooled investment in property held for resale that is carried at fair value within the fair value hierarchy established by generally accepted accounting principles.

During a prior year, Polk County and the city of Ducktown purchased the debt of the Copper Basin Medical Center (hospital) from the hospital's lender. The hospital ceased operations and in June 2018, the county and the city of Ducktown finalized foreclosure proceedings, took possession of the hospital's property, and began the process of selling the property.

Generally accepted accounting principles and GASB standards do not recognize assets held for resale as capital assets of the county; therefore, the county's 75 percent share of the fair value of the hospital property has been reflected as an investment in the current financial statements in this report. The valuation of this property was determined using the 2018 property appraisal card received from the Comptroller's Division of Property Assessments in the year of purchase. The appraised valuation increased in 2023 to \$5,759,700; however, due to uncertainty in the market valuation of the property, the value of the investment was not adjusted for the current financial statements.

The calculation of the county's valuation of this property was made as follows:

Copper Basin Medical Center:

Appraised value per property card at date of purchase (2018)	\$ 4,980,700
County's ownership percentage	<u>75%</u>
 Polk County Investment at June 30, 2023	 <u>\$ 3,735,525</u>

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturity</u>	<u>Fair Value</u>
Hospital Property (held for resale)	N/A	N/A	<u>\$ 3,735,525</u>

<u>Investment by Fair Value Level</u>	<u>Fair Value 6-30-23</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Hospital Property (held for resale)	\$ 3,735,525	\$ 0	\$ 3,735,525	\$ 0
Total	<u>\$ 3,735,525</u>	<u>\$ 0</u>	<u>\$ 3,735,525</u>	<u>\$ 0</u>

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

**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, 2023, 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	\$ 61,361
Developed Market International Equity	N/A	N/A	27,711
Emerging Market International Equity	N/A	N/A	7,918
U.S. Fixed Income	N/A	N/A	39,588
Real Estate	N/A	N/A	19,794
Short-term Securities	N/A	N/A	1,979
NAV - Private Equity and Strategic Lending	N/A	N/A	39,588
 Total			 \$ 197,939

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2023, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Construction in Progress	\$ 250,193	\$ 0	\$ 0	\$ 250,193
Total Capital Assets Not Depreciated	\$ 250,193	\$ 0	\$ 0	\$ 250,193
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,325,988	\$ 0	\$ 0	\$ 12,325,988
Infrastructure	10,790,647	0	0	10,790,647
Other Capital Assets	5,327,258	619,826	(306,699)	5,640,385
Total Capital Assets Depreciated	\$ 28,443,893	\$ 619,826	\$ (306,699)	\$ 28,757,020
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,996,762	\$ 256,990	\$ 0	\$ 5,253,752
Infrastructure	6,528,629	177,116	0	6,705,745
Other Capital Assets	3,619,483	429,514	(228,746)	3,820,251
Total Accumulated Depreciation	\$ 15,144,874	\$ 863,620	\$ (228,746)	\$ 15,779,748
Total Capital Assets Depreciated, Net	\$ 13,299,019	\$ (243,794)	\$ (77,953)	\$ 12,977,272
Governmental Activities Capital Assets, Net	\$ 13,549,212	\$ (243,794)	\$ (77,953)	\$ 13,227,465

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

**Governmental Activities:**

General Government	\$ 283,374
Public Safety	170,128
Public Health & Welfare	5,800
Social, Cultural & Recreational	535
Highways	403,783
Total Depreciation Expense - Governmental Activities	\$ 863,620

## Net Investment in Capital Assets

Capital Assets	\$ 13,227,465
Add:	
Outstanding principal of debt for school purposes	3,096,404
Less:	
Outstanding principal of capital debt and other capital borrowings	(4,586,654)
Net Investment in Capital Assets	<u>\$ 11,737,215</u>

## Discretely Presented Polk County School Department

### Governmental Activities:

	Balance 7-1-22	Increases	Balance 6-30-23
Capital Assets			
Not Depreciated:			
Land	\$ 401,500	\$ 0	\$ 401,500
Construction in Progress	0	17,300	17,300
Total Capital Assets Not Depreciated	<u>\$ 401,500</u>	<u>\$ 17,300</u>	<u>\$ 418,800</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 24,851,885	\$ 90,450	\$ 24,942,335
Other Capital Assets	2,591,422	653,904	3,245,326
Total Capital Assets Depreciated	<u>\$ 27,443,307</u>	<u>\$ 744,354</u>	<u>\$ 28,187,661</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 13,769,614	\$ 425,468	\$ 14,195,082
Other Capital Assets	1,586,513	163,358	1,749,871
Total Accumulated Depreciation	<u>\$ 15,356,127</u>	<u>\$ 588,826</u>	<u>\$ 15,944,953</u>
Total Capital Assets Depreciated, Net	<u>\$ 12,087,180</u>	<u>\$ 155,528</u>	<u>\$ 12,242,708</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,488,680</u>	<u>\$ 172,828</u>	<u>\$ 12,661,508</u>

There were no decreases in capital assets to report during the year ended June 30, 2023.

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

**Governmental Activities:**

Instruction	\$ 17,890
Support Services	136,763
Operation of Non-instructional Services	<u>434,173</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 588,826</u></u>

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

The composition of interfund balances as of June 30, 2023, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 13,292
Highway/Public Works	General	13,090
Nonmajor governmental	"	9,664
"	Nonmajor governmental	923
Discretely Presented School Department:		
General Purpose School	School Federal Projects	54,878
School Federal Projects	General Purpose School	56,142
Education Capital Projects	"	201,449

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:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
Highway/Public Works	Component Unit: School Department: General Purpose School	\$ 998

The receivable in the Highway/Public Works Fund totaling \$998 was due from the General Purpose School Fund as reimbursement for fuel. This amount was in transit from the General Purpose School Fund at June 30, 2023.



**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In			Purpose
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	
General Fund	\$ 0	\$ 9,000	\$ 0	Operations
Other Special Revenue Fund	519,693	0	0	"
Highway/Public Works Fund	0	0	153,615	Debt retirement
<b>Total</b>	<b>\$ 519,693</b>	<b>\$ 9,000</b>	<b>\$ 153,615</b>	

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, 2023, will be retired from the General Debt Service Fund.

Capital outlay notes and other loans outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	3.73 %	8-1-24	\$ 700,000	\$ 295,000
Other Loans	Variable	5-25-26	13,668,451	3,788,900
Other Loans	4.71 to 4.75	8-18-26	1,034,000	502,754

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. At June 30, 2023, the variable interest rate was 4.54 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.

On April 28, 2017, Polk County entered into loan agreements with the City of Clarksville, Tennessee, Public Building Authority. Under this loan agreement, the authority loaned \$11,955,000 to Polk County to refund the General Obligation Refunding Bond, Series 2007. 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. At June 30, 2023, the variable interest rate was 4.54 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 four separate purchase agreements totaling \$821,000 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.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2023, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2024	\$ 145,000	\$ 8,299	\$ 153,299
2025	150,000	2,797	152,797
Total	<u>\$ 295,000</u>	<u>\$ 11,096</u>	<u>\$ 306,096</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Fees	Total
2024	\$ 2,031,549	\$ 188,844	\$ 8,675	\$ 2,229,068
2025	2,064,551	95,918	6,001	2,166,470
2026	151,027	9,010	1,534	161,571
2027	44,527	2,115	0	46,642
Total	<u>\$ 4,291,654</u>	<u>\$ 295,887</u>	<u>\$ 16,210</u>	<u>\$ 4,603,751</u>

There is \$938,964 available in the General Debt Service Fund to service long-term debt. The total amount of fund equity in this fund is \$4,674,489; however, of this total amount, \$3,735,525 represents the value of the fund's investment in the Copper Basin Medical Center assets at June 30, 2023. Total debt per capita totaled \$261, 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, 2023, was as follows:

<b>Governmental Activities:</b>	Notes -	Other
	Direct Placement	Loans - Direct Placement
Balance, July 1, 2022	\$ 435,000	\$ 6,027,735
Additions	0	213,000
Reductions	(140,000)	(1,949,081)
Balance, June 30, 2023	<u>\$ 295,000</u>	<u>\$ 4,291,654</u>
Balance Due Within One Year	<u>\$ 145,000</u>	<u>\$ 2,031,548</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 4,586,654
Less: Balance Due Within One Year - Debt	<u>(2,176,548)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 2,410,106</u>

**E. Long-term Obligations**

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

<b>Governmental Activities:</b>	Compensated	Net Pension
	Absences	Liability - Agent Plan *
Balance, July 1, 2022	\$ 126,942	\$ (1,631,824)
Additions	143,317	2,170,723
Reductions	(135,670)	(516,189)
Balance, June 30, 2023	<u>\$ 134,589</u>	<u>\$ 22,710</u>
Balance Due Within One Year	<u>\$ 13,459</u>	<u>\$ 0</u>

\* At July 1, 2022, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 157,299
Less: Balance Due Within One Year - Other	<u>(13,459)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 143,840</u>

Compensated absences and pensions 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, 2023, was as follows:

<b>Governmental Activities:</b>	Other Post- employment Benefits	Net Pension Liability - Agent Plan *
	<u>          </u>	<u>          </u>
Balance, July 1, 2022	\$ 4,015,422	\$ (666,196)
Additions	321,361	981,010
Reductions	<u>(696,841)</u>	<u>(304,240)</u>
Balance, June 30, 2023	<u>\$ 3,639,942</u>	<u>\$ 10,574</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

\* At July 1, 2022, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2023	\$ 3,650,516
Less: Balance Due Within One Year - Other	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,650,516</u>

Other postemployment benefits and pensions 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, 2023, were \$58,996. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

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.

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.

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.

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. At June 30, 2023, a cash balance of \$41,225 remained in this fund.

## **B. Accounting Changes**

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset

and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

**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. Change in Administration**

On August 31, 2022, Donna Bramlett left the Office of Register of Deeds and was succeeded by Kile Swafford.

**E. 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, 2023, 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

**F. 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.

**G. 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 68.23 percent, the non-certified employees of the discretely presented school department comprise 31.77 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit

regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	98
Inactive Employees Entitled to But Not Yet Receiving Benefits	255
Active Employees	242
Total	<u>595</u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. 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, 2023, the employer contribution for Polk County was \$387,587 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, 2022, 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, 2022, 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, 2022, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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, 2021	\$ 16,443,755	\$ 18,741,775	\$ (2,298,020)
Changes for the Year:			
Service Cost	\$ 604,908	\$ 0	\$ 604,908
Interest	1,123,442	0	1,123,442
Differences Between Expected and Actual Experience	619,980	0	619,980
Contributions-Employer	0	378,270	(378,270)
Contributions-Employees	0	378,272	(378,272)
Net Investment Income	0	(715,504)	715,504
Benefit Payments, Including Refunds of Employee Contributions	(810,147)	(810,147)	0
Administrative Expense	0	(24,012)	24,012
Net Changes	\$ 1,538,183	\$ (793,121)	\$ 2,331,304
Balance, June 30, 2022	\$ 17,981,938	\$ 17,948,654	\$ 33,284

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	68.23%	\$ 12,269,076	\$ 12,246,367	\$ 22,710
School Department	31.77%	5,712,862	5,702,287	10,574
Total		\$ 17,981,938	\$ 17,948,654	\$ 33,284

*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:

	1% Decrease	Current Discount Rate	1% Increase
Polk County	5.75%	6.75%	7.75%

Net Pension Liability (Asset)    \$ 2,472,100    \$ 33,284    \$ (1,987,798)

**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, 2023, Polk County recognized pension expense (negative pension expense) of \$375,095.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, 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	\$ 535,110	\$ 343,810
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	48,760	0
Changes in Assumptions	1,176,838	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	387,587	N/A
Total	<u>\$ 2,148,295</u>	<u>\$ 343,810</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,476,954	\$ 234,582
School Department	671,341	109,228
Total	<u>\$ 2,148,295</u>	<u>\$ 343,810</u>

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

Year Ending June 30	Amount
2024	\$ 206,545
2025	229,914
2026	213,811
2027	766,627
2028	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 68.23 percent and the non-certified employees of the discretely presented school department comprise 31.77 percent of the plan based on contribution data.

## **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 at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher



Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$81,183, which is 2.87 percent of covered payroll. In addition, employer contributions of \$32,165, which is 1.13 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).* At June 30, 2023, the school department reported a liability (asset) of (\$53,130) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .175390 percent. The proportion as of June 30, 2021, was .133786 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$71,987.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, 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	\$ 2,905	\$ 32,280
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	16,747	0
Changes in Assumptions	62,239	0
Changes in Proportion of Net Pension Liability (Asset)	3,217	37,644
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	<u>81,183</u>	<u>N/A</u>
Total	<u>\$ 166,291</u>	<u>\$ 69,924</u>

The school department's employer contributions of \$81,183, 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, 2024. 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
2024	\$ (1,880)
2025	(1,709)
2026	(4,461)
2027	24,708
2028	(22)
Thereafter	(1,450)

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, 2022, 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, 2022, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the 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%
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Net Pension Liability (Asset)    \$    278,902    \$    (53,130)    \$    (295,615)

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

**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 at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Polk County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$741,678, which is 8.69 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).* At June 30, 2023, the school department reported a liability (asset) of (\$3,365,455) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .274416 percent. The proportion measured at June 30, 2021, was .252939 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of (\$45,843).

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, 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	\$ 553,605	\$ 568,660
Changes in Assumptions	2,108,296	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	57,548	0
Changes in Proportion of Net Pension Liability (Asset)	29,285	271,518
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	741,678	N/A
Total	<u>\$ 3,490,412</u>	<u>\$ 840,178</u>

The school department's employer contributions of \$741,678 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, 2024. 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
2024	\$ 258,024
2025	551,020
2026	(676,773)
2027	1,776,285
2028	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, 2022, 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, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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



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

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the 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%
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Net Pension Liability (Asset) \$ 6,665,807 \$ (3,365,455) \$ (11,720,830)

*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**

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 \$158,322 and teachers contributed \$25,361 to this deferred compensation pension plan.

**H. 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.

**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.

The school department’s total OPEB liability for the plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2022, 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	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.54 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, 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-2020 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-2020 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-2020.

*Changes in Assumptions.* The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. 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 2022 plan year was revised from 7.36 percent to 8.37 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, 2022, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>198</u>
Total	<u><u>210</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and

employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$138,851 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Polk County School Department 72.27%</u>	<u>State of TN 27.73%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2021	\$ 4,015,422	\$ 1,515,347	\$ 5,530,769
Changes for the Year:			
Service Cost	\$ 231,529	\$ 88,837	\$ 320,366
Interest	89,832	34,468	124,300
Difference between Expected and Actuarial Experience	(162,042)	(62,175)	(224,217)
Changes in Assumption and Other Inputs	(376,465)	(144,449)	(520,914)
Change in Proportion Benefit Payments	(18,098)	18,098	0
Benefit Payments	(140,236)	(53,808)	(194,044)
Net Changes	\$ (375,480)	\$ (119,029)	\$ (494,509)
Balance June 30, 2022	\$ 3,639,942	\$ 1,396,318	\$ 5,036,260

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 \$84,286 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 72.27% and the State of Tennessee's share was 27.73%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department recognized OPEB expense of \$376,990, including the state's share of the expense. At June 30, 2023, 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	\$ 207,411	\$ 283,494
Changes of Assumptions/Inputs	291,827	534,899
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	188,127	91,365
Benefits Paid After the Measurement Date of June 30, 2022	<u>138,851</u>	<u>0</u>
Total	<u>\$ 826,216</u>	<u>\$ 909,758</u>

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
2024	\$ (28,677)
2025	(28,677)
2026	(28,677)
2027	(28,677)
2028	(22,718)
Thereafter	(84,967)

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the school department’s proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.54%	3.54%	4.54%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,929,698	\$ 3,639,942	\$ 3,364,924
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,223,429	\$ 3,639,942	\$ 4,128,439
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**I. 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.

**J. 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.

**K. 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.

**L. Subsequent Events**

On May 2, 2023, the county commission approved a loan agreement for four buses totaling \$364,000. This loan agreement was issued on November 6, 2023, for a term of five years at 6.71 percent interest.

On February 20, 2024, the Polk County Commission voted to approve the sale of its share of the property that was formerly the Copper Basin Medical Center to the City of Ducktown for \$600,000. The county purchased a 75% interest in this property in 2018 (the City of Ducktown purchased the remaining 25% interest) for \$600,000.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Pension Liability</b>									
Service Cost	\$ 320,216	\$ 353,395	\$ 362,034	\$ 406,070	\$ 431,326	\$ 482,406	\$ 505,432	\$ 511,918	\$ 604,908
Interest	646,390	686,982	778,649	811,563	877,312	929,175	996,883	1,034,268	1,123,442
Differences Between Actual and Expected Experience	(109,544)	604,011	(271,628)	60,083	(109,206)	117,378	(342,329)	(283,018)	619,980
Changes in Assumptions	0	0	0	433,909	0	0	0	1,765,258	0
Benefit Payments, Including Refunds of Employee Contributions	(329,941)	(368,104)	(493,500)	(454,950)	(458,794)	(611,536)	(624,620)	(677,024)	(810,147)
Net Change in Total Pension Liability	\$ 527,121	\$ 1,276,284	\$ 375,555	\$ 1,256,675	\$ 740,638	\$ 917,423	\$ 535,366	\$ 2,351,402	\$ 1,538,183
Total Pension Liability, Beginning	8,463,291	8,990,412	10,266,696	10,642,251	11,898,926	12,639,564	13,556,987	14,092,353	16,443,755
Total Pension Liability, Ending (a)	\$ 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
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 368,920	\$ 408,901	\$ 442,930	\$ 464,789	\$ 306,608	\$ 331,497	\$ 333,770	\$ 343,347	\$ 378,270
Contributions - Employee	235,888	249,330	276,230	283,064	306,609	331,497	334,106	343,348	378,272
Net Investment Income	1,330,734	296,568	269,832	1,210,901	1,004,316	981,794	704,035	3,844,560	(715,504)
Benefit Payments, Including Refunds of Employee Contributions	(329,941)	(368,104)	(493,500)	(454,950)	(458,794)	(611,536)	(624,620)	(677,024)	(810,147)
Administrative Expense	(6,630)	(9,664)	(15,128)	(17,251)	(21,398)	(20,618)	(20,916)	(21,632)	(24,012)
Other	0	0	14,230	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,598,971	\$ 577,031	\$ 494,594	\$ 1,486,553	\$ 1,137,341	\$ 1,012,634	\$ 726,375	\$ 3,832,599	\$ (793,121)
Plan Fiduciary Net Position, Beginning	7,875,677	9,474,648	10,051,679	10,546,273	12,032,826	13,170,167	14,182,801	14,909,176	18,741,775
Plan Fiduciary Net Position, Ending (b)	\$ 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
Net Pension Liability (Asset), Ending (a - b)	\$ (484,236)	\$ 215,017	\$ 95,978	\$ (133,900)	\$ (530,603)	\$ (625,814)	\$ (816,823)	\$ (2,298,020)	\$ 33,284
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.39%	97.91%	99.10%	101.13%	104.20%	104.62%	105.80%	113.98%	99.81%
Covered Payroll	\$ 4,741,904	\$ 4,986,584	\$ 5,401,594	\$ 5,661,245	\$ 6,132,138	\$ 6,629,924	\$ 6,675,400	\$ 6,866,933	\$ 7,565,415
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(10.21%)	4.31%	1.78%	(2.37%)	(8.65%)	(9.44%)	(12.24%)	(33.47%)	0.44%

Note 1: Ten years of data will be presented when available.

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 368,920	\$ 408,901	\$ 442,930	\$ 464,789	\$ 306,608	\$ 234,037	\$ 216,283	\$ 222,489	\$ 245,119	\$ 387,587
Less: Contributions in Relation to the Actuarially Determined Contribution	(368,920)	(408,901)	(442,930)	(464,789)	(306,608)	(331,497)	(333,770)	(343,347)	(378,270)	(387,587)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (97,460)	\$ (117,487)	\$ (120,858)	\$ (133,151)	\$ 0
Covered Payroll	\$ 4,741,904	\$ 4,986,584	\$ 5,401,594	\$ 5,661,245	\$ 6,132,138	\$ 6,629,924	\$ 6,675,400	\$ 6,866,933	\$ 7,565,415	\$ 7,751,704
Contributions as a Percentage of Covered Payroll	7.78%	8.20%	8.20%	8.21%	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.

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 11,717	\$ 22,063	\$ 29,275	\$ 37,805	\$ 23,495	\$ 28,224	\$ 39,003	\$ 60,202	\$ 81,183
Less: Contributions in Relation to the Contractually Required Contribution	(11,717)	(22,063)	(29,275)	37,805	(23,495)	(28,224)	(39,003)	(60,202)	(81,183)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 292,931	\$ 551,584	\$ 731,857	\$ 945,125	\$ 1,211,056	\$ 1,390,335	\$ 1,930,836	\$ 2,995,150	\$ 2,833,696
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

Note 1: Ten years of data will be presented when available.

Note 2: 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%

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 825,308	\$ 825,664	\$ 808,191	\$ 804,829	\$ 819,504	\$ 921,441	\$ 925,096	\$ 852,604	\$ 930,179	\$ 741,678
Less: Contributions in Relation to the Contractually Required Contribution	(825,308)	(825,664)	(808,191)	(804,829)	(819,504)	(921,441)	(925,096)	(852,604)	(930,179)	(741,678)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 9,294,007	\$ 9,133,452	\$ 8,940,165	\$ 8,902,968	\$ 9,025,375	\$ 8,809,192	\$ 8,702,674	\$ 8,301,886	\$ 9,030,862	\$ 8,534,833
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Exhibit E-5

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
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%
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)
Covered Payroll	\$ 292,931	\$ 551,584	\$ 731,857	\$ 945,125	\$ 1,211,056	\$ 1,390,335	\$ 1,930,836	\$ 2,995,150
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%)
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%

Note: Ten years of data will be presented when available.

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.236791%	0.243981%	0.247664%	0.251856%	0.257744%	0.262714%	0.261479%	0.252939%	0.274416%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (38,477)	\$ 99,943	\$ 1,547,761	\$ (82,403)	\$ (906,981)	\$ (2,701,177)	\$ (1,993,968)	\$ (10,909,866)	\$ (3,365,455)
Covered Payroll	\$ 9,294,007	\$ 9,133,452	\$ 8,940,165	\$ 8,902,968	\$ 9,025,375	\$ 8,809,192	\$ 8,702,674	\$ 8,301,886	\$ 9,030,862
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)	(22.91%)	(131.41%)	(37.27%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

Note: Ten years of data will be presented when available.

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

**Local Education Plan**

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 263,808	\$ 245,776	\$ 253,160	\$ 235,248	\$ 298,018	\$ 320,366
Interest	136,044	164,046	169,917	161,612	113,432	124,300
Changes in Benefit Terms	0	(278,963)	0	0	0	0
Differences Between Actual and Expected Experience	0	32,469	2,780	(294,614)	348,233	(224,217)
Changes in Assumptions or Other Inputs	(218,480)	119,987	(326,369)	506,986	5,521	(520,914)
Benefit Payments	(209,570)	(219,134)	(192,336)	(149,413)	(137,407)	(194,044)
Net Change in Total OPEB Liability	\$ (28,198)	\$ 64,181	\$ (92,848)	\$ 459,819	\$ 627,797	\$ (494,509)
Total OPEB Liability, Beginning	4,500,018	4,471,820	4,536,001	4,443,153	4,902,972	5,530,769
Total OPEB Liability, Ending	\$ 4,471,820	\$ 4,536,001	\$ 4,443,153	\$ 4,902,972	\$ 5,530,769	\$ 5,036,260
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
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
Covered Employee Payroll	\$ 9,491,749	\$ 9,634,825	\$ 9,970,500	\$ 10,093,009	\$ 10,232,722	\$ 12,026,012
Total OPEB Liability as a percentage of covered employee payroll	47.11%	47.08%	44.56%	48.58%	54.05%	41.88%

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%

(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%

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



**POLK COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2023**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2023 were calculated based on the July 1, 2021, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.125%

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

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

# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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

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

# Capital Projects Funds

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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.

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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.

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.

Exhibit F-1

Polk County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	ARP Capital Projects
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 1,610	\$ 1,610	\$ 0	\$ 0
Equity in Pooled Cash and Investments	142,512	181,816	0	324,328	16,437	479,979
Accounts Receivable	1,515	0	11,682	13,197	0	0
Due from Other Governments	112	0	0	112	10,935	0
Due from Other Funds	0	923	0	923	0	0
Property Taxes Receivable	1,331,115	0	0	1,331,115	0	0
Allowance for Uncollectible Property Taxes	(48,599)	0	0	(48,599)	0	0
Total Assets	\$ 1,426,655	\$ 182,739	\$ 13,292	\$ 1,622,686	\$ 27,372	\$ 479,979
<u>LIABILITIES</u>						
Accounts Payable	\$ 58,885	\$ 0	\$ 0	\$ 58,885	\$ 0	\$ 0
Payroll Deductions Payable	565	6,343	0	6,908	0	0
Due to Other Funds	0	0	13,292	13,292	0	0
Due to State of Tennessee	105	0	0	105	0	0
Due to Other Governments	0	0	0	0	0	479,979
Total Liabilities	\$ 59,555	\$ 6,343	\$ 13,292	\$ 79,190	\$ 0	\$ 479,979
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,256,213	\$ 0	\$ 0	\$ 1,256,213	\$ 0	\$ 0
Deferred Delinquent Property Taxes	25,139	0	0	25,139	0	0
Total Deferred Inflows of Resources	\$ 1,281,352	\$ 0	\$ 0	\$ 1,281,352	\$ 0	\$ 0

(Continued)

Exhibit F-1

Polk County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	ARP Capital Projects
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 176,396	\$ 0	\$ 176,396	\$ 0	\$ 0
Restricted for Public Health and Welfare	85,748	0	0	85,748	0	0
Restricted for Other Operations	0	0	0	0	27,372	0
Committed:						
Committed for Capital Outlay	0	0	0	0	0	0
Assigned:						
Assigned for Public Safety	0	0	0	0	0	0
Total Fund Balances	<u>\$ 85,748</u>	<u>\$ 176,396</u>	<u>\$ 0</u>	<u>\$ 262,144</u>	<u>\$ 27,372</u>	<u>\$ 0</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,426,655</u>	<u>\$ 182,739</u>	<u>\$ 13,292</u>	<u>\$ 1,622,686</u>	<u>\$ 27,372</u>	<u>\$ 479,979</u>

(Continued)

Exhibit F-1

Polk County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 1,610
Equity in Pooled Cash and Investments	129,505	625,921	950,249
Accounts Receivable	0	0	13,197
Due from Other Governments	0	10,935	11,047
Due from Other Funds	9,664	9,664	10,587
Property Taxes Receivable	0	0	1,331,115
Allowance for Uncollectible Property Taxes	0	0	(48,599)
Total Assets	<u>\$ 139,169</u>	<u>\$ 646,520</u>	<u>\$ 2,269,206</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 58,885
Payroll Deductions Payable	0	0	6,908
Due to Other Funds	923	923	14,215
Due to State of Tennessee	0	0	105
Due to Other Governments	0	479,979	479,979
Total Liabilities	<u>\$ 923</u>	<u>\$ 480,902</u>	<u>\$ 560,092</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,256,213
Deferred Delinquent Property Taxes	0	0	25,139
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,281,352</u>

(Continued)

Exhibit F-1

Polk County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

<u>FUND BALANCES</u>	<u>Capital Projects Funds (Cont.)</u>		<u>Total</u>
	<u>Other</u>	<u>Total</u>	<u>Nonmajor</u>
	<u>Capital</u>		<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 176,396
Restricted for Public Health and Welfare	0	0	85,748
Restricted for Other Operations	0	27,372	27,372
Committed:			
Committed for Capital Outlay	49,446	49,446	49,446
Assigned:			
Assigned for Public Safety	88,800	88,800	88,800
Total Fund Balances	<u>\$ 138,246</u>	<u>\$ 165,618</u>	<u>\$ 427,762</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 139,169</u>	 <u>\$ 646,520</u>	 <u>\$ 2,269,206</u>



Exhibit F-2

Polk County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Education Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 565,878	\$ 0	\$ 0	\$ 565,878	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	76,679	0	76,679	0	0
Charges for Current Services	14,520	0	410	14,930	0	0
Other Local Revenues	0	10,000	0	10,000	12,000	0
State of Tennessee	57,071	0	0	57,071	10,935	0
Other Governments and Citizens Groups	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$ 637,469</b>	<b>\$ 86,679</b>	<b>\$ 410</b>	<b>\$ 724,558</b>	<b>\$ 22,935</b>	<b>\$ 0</b>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 410	\$ 410	\$ 0	\$ 0
Public Safety	0	22,403	0	22,403	0	0
Public Health and Welfare	695,281	0	0	695,281	0	0
Other Operations	11,562	1,661	0	13,223	12,403	0
Capital Projects - Donated	0	0	0	0	0	213,000
<b>Total Expenditures</b>	<b>\$ 706,843</b>	<b>\$ 24,064</b>	<b>\$ 410</b>	<b>\$ 731,317</b>	<b>\$ 12,403</b>	<b>\$ 213,000</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (69,374)	\$ 62,615	\$ 0	\$ (6,759)	\$ 10,532	\$ (213,000)
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 213,000
Proceeds from Sale of Capital Assets	0	0	0	0	0	0
Insurance Recovery	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 213,000</b>
Net Change in Fund Balances	\$ (69,374)	\$ 62,615	\$ 0	\$ (6,759)	\$ 10,532	\$ 0
Fund Balance, July 1, 2022	155,122	113,781	0	268,903	16,840	0
<b>Fund Balance, June 30, 2023</b>	<b>\$ 85,748</b>	<b>\$ 176,396</b>	<b>\$ 0</b>	<b>\$ 262,144</b>	<b>\$ 27,372</b>	<b>\$ 0</b>

(Continued)

Exhibit F-2

Polk County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other Capital Projects	Total	Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 565,878
Fines, Forfeitures, and Penalties	0	0	76,679
Charges for Current Services	94,752	94,752	109,682
Other Local Revenues	11,728	23,728	33,728
State of Tennessee	0	10,935	68,006
Other Governments and Citizens Groups	73,571	73,571	73,571
Total Revenues	<u>\$ 180,051</u>	<u>\$ 202,986</u>	<u>\$ 927,544</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 410
Public Safety	166,925	166,925	189,328
Public Health and Welfare	0	0	695,281
Other Operations	924	13,327	26,550
Capital Projects - Donated	0	213,000	213,000
Total Expenditures	<u>\$ 167,849</u>	<u>\$ 393,252</u>	<u>\$ 1,124,569</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,202</u>	<u>\$ (190,266)</u>	<u>\$ (197,025)</u>
<u>Other Financing Sources (Uses)</u>			
Other Loans Issued	\$ 0	\$ 213,000	\$ 213,000
Proceeds from Sale of Capital Assets	5,269	5,269	5,269
Insurance Recovery	14,970	14,970	14,970
Total Other Financing Sources (Uses)	<u>\$ 20,239</u>	<u>\$ 233,239</u>	<u>\$ 233,239</u>
Net Change in Fund Balances	\$ 32,441	\$ 42,973	\$ 36,214
Fund Balance, July 1, 2022	<u>105,805</u>	<u>122,645</u>	<u>391,548</u>
Fund Balance, June 30, 2023	<u>\$ 138,246</u>	<u>\$ 165,618</u>	<u>\$ 427,762</u>

Exhibit F-3

Polk County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Solid Waste/Sanitation Fund  
 For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 565,878	\$ 0	\$ 0	\$ 565,878	\$ 564,322	\$ 564,322	\$ 1,556
Charges for Current Services	14,520	0	0	14,520	14,520	14,520	0
State of Tennessee	57,071	0	0	57,071	25,000	25,000	32,071
<b>Total Revenues</b>	<b>\$ 637,469</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 637,469</b>	<b>\$ 603,842</b>	<b>\$ 603,842</b>	<b>\$ 33,627</b>
<b>Expenditures</b>							
<b>Public Health and Welfare</b>							
Sanitation Management	\$ 533,000	\$ 0	\$ 0	\$ 533,000	\$ 475,000	\$ 533,000	\$ 0
Convenience Centers	162,281	(300)	9,900	171,881	153,836	173,230	1,349
<b>Other Operations</b>							
Other Charges	11,562	0	0	11,562	7,500	11,300	(262)
<b>Total Expenditures</b>	<b>\$ 706,843</b>	<b>\$ (300)</b>	<b>\$ 9,900</b>	<b>\$ 716,443</b>	<b>\$ 636,336</b>	<b>\$ 717,530</b>	<b>\$ 1,087</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (69,374)	\$ 300	\$ (9,900)	\$ (78,974)	\$ (32,494)	\$ (113,688)	\$ 34,714
Net Change in Fund Balance	\$ (69,374)	\$ 300	\$ (9,900)	\$ (78,974)	\$ (32,494)	\$ (113,688)	\$ 34,714
Fund Balance, July 1, 2022	155,122	(300)	0	154,822	152,852	152,852	1,970
<b>Fund Balance, June 30, 2023</b>	<b>\$ 85,748</b>	<b>\$ 0</b>	<b>\$ (9,900)</b>	<b>\$ 75,848</b>	<b>\$ 120,358</b>	<b>\$ 39,164</b>	<b>\$ 36,684</b>

Exhibit F-4

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 76,679	\$ 0	\$ 76,679	\$ 42,000	\$ 42,000	\$ 34,679
Other Local Revenues	10,000	0	10,000	0	0	10,000
Total Revenues	<u>\$ 86,679</u>	<u>\$ 0</u>	<u>\$ 86,679</u>	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 44,679</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 22,403	\$ (400)	\$ 22,003	\$ 40,550	\$ 41,851	\$ 19,848
<u>Other Operations</u>						
Other Charges	743	0	743	350	875	132
Employee Benefits	918	0	918	865	1,039	121
Total Expenditures	<u>\$ 24,064</u>	<u>\$ (400)</u>	<u>\$ 23,664</u>	<u>\$ 41,765</u>	<u>\$ 43,765</u>	<u>\$ 20,101</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 62,615</u>	<u>\$ 400</u>	<u>\$ 63,015</u>	<u>\$ 235</u>	<u>\$ (1,765)</u>	<u>\$ 64,780</u>
Net Change in Fund Balance	\$ 62,615	\$ 400	\$ 63,015	\$ 235	\$ (1,765)	\$ 64,780
Fund Balance, July 1, 2022	113,781	(400)	113,381	88,014	88,014	25,367
Fund Balance, June 30, 2023	<u>\$ 176,396</u>	<u>\$ 0</u>	<u>\$ 176,396</u>	<u>\$ 88,249</u>	<u>\$ 86,249</u>	<u>\$ 90,147</u>

Exhibit F-5

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 12,000	\$ 12,000	\$ 12,000	\$ 0
State of Tennessee	10,935	0	0	10,935
Total Revenues	<u>\$ 22,935</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 10,935</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Airport	\$ 12,283	\$ 10,000	\$ 21,510	\$ 9,227
Other Charges	120	120	120	0
Total Expenditures	<u>\$ 12,403</u>	<u>\$ 10,120</u>	<u>\$ 21,630</u>	<u>\$ 9,227</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 10,532</u>	<u>\$ 1,880</u>	<u>\$ (9,630)</u>	<u>\$ 20,162</u>
Net Change in Fund Balance	\$ 10,532	\$ 1,880	\$ (9,630)	\$ 20,162
Fund Balance, July 1, 2022	<u>16,840</u>	<u>4,960</u>	<u>4,960</u>	<u>11,880</u>
Fund Balance, June 30, 2023	<u><u>\$ 27,372</u></u>	<u><u>\$ 6,840</u></u>	<u><u>\$ (4,670)</u></u>	<u><u>\$ 32,042</u></u>

Exhibit F-6

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, 2023

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 94,752	\$ 0	\$ 94,752	\$ 75,500	\$ 119,900	\$ (25,148)
Other Local Revenues	11,728	0	11,728	8,000	8,000	3,728
Other Governments and Citizens Groups	73,571	0	73,571	50,000	94,400	(20,829)
Total Revenues	<u>\$ 180,051</u>	<u>\$ 0</u>	<u>\$ 180,051</u>	<u>\$ 133,500</u>	<u>\$ 222,300</u>	<u>\$ (42,249)</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Sheriff's Department	\$ 166,925	\$ 88,800	\$ 255,725	\$ 125,000	\$ 278,800	\$ 23,075
<u>Other Operations</u>						
Other Charges	924	0	924	878	878	(46)
Total Expenditures	<u>\$ 167,849</u>	<u>\$ 88,800</u>	<u>\$ 256,649</u>	<u>\$ 125,878</u>	<u>\$ 279,678</u>	<u>\$ 23,029</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,202</u>	<u>\$ (88,800)</u>	<u>\$ (76,598)</u>	<u>\$ 7,622</u>	<u>\$ (57,378)</u>	<u>\$ (19,220)</u>
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 5,269	\$ 0	\$ 5,269	\$ 0	\$ 0	\$ 5,269
Insurance Recovery	14,970	0	14,970	0	0	14,970
Total Other Financing Sources	<u>\$ 20,239</u>	<u>\$ 0</u>	<u>\$ 20,239</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,239</u>
Net Change in Fund Balance	\$ 32,441	\$ (88,800)	\$ (56,359)	\$ 7,622	\$ (57,378)	\$ 1,019
Fund Balance, July 1, 2022	105,805	0	105,805	37,273	37,273	68,532
Fund Balance, June 30, 2023	<u>\$ 138,246</u>	<u>\$ (88,800)</u>	<u>\$ 49,446</u>	<u>\$ 44,895</u>	<u>\$ (20,105)</u>	<u>\$ 69,551</u>

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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Exhibit G

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,134,811	\$ 1,096,742	\$ 1,096,742	\$ 38,069
Other Local Revenues	13,491	4,000	4,000	9,491
State of Tennessee	105,049	100,000	100,000	5,049
Other Governments and Citizens Groups	876,297	803,615	876,297	0
Total Revenues	<u>\$ 2,129,648</u>	<u>\$ 2,004,357</u>	<u>\$ 2,077,039</u>	<u>\$ 52,609</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 554,750	\$ 1,746,000	\$ 554,750	\$ 0
Highways and Streets	140,000	140,000	140,000	0
Education	1,394,331	0	1,394,331	0
<u>Interest on Debt</u>				
General Government	62,958	166,050	70,430	7,472
Highways and Streets	13,614	0	13,615	1
Education	159,416	0	159,416	0
<u>Other Debt Service</u>				
General Government	29,157	24,200	30,405	1,248
Highways and Streets	0	13,615	0	0
Education	5,815	0	5,815	0
Total Expenditures	<u>\$ 2,360,041</u>	<u>\$ 2,089,865</u>	<u>\$ 2,368,762</u>	<u>\$ 8,721</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (230,393)</u>	<u>\$ (85,508)</u>	<u>\$ (291,723)</u>	<u>\$ 61,330</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 153,615	\$ 0	\$ 153,615	\$ 0
Total Other Financing Sources	<u>\$ 153,615</u>	<u>\$ 0</u>	<u>\$ 153,615</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (76,778)	\$ (85,508)	\$ (138,108)	\$ 61,330
Fund Balance, July 1, 2022	<u>4,751,267</u>	<u>4,585,150</u>	<u>4,585,150</u>	<u>166,117</u>
Fund Balance, June 30, 2023	<u>\$ 4,674,489</u>	<u>\$ 4,499,642</u>	<u>\$ 4,447,042</u>	<u>\$ 227,447</u>



# Custodial Funds

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

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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 to the state, cities, litigants, heirs, and others.

Polk County, Tennessee  
Combining Statement of Net Position  
Custodial Funds  
June 30, 2023

	<u>Custodial Funds</u>		
	<u>Cities -</u>	<u>Constitu -</u>	
	<u>Sales</u>	<u>tional</u>	
	<u>Tax</u>	<u>Officers -</u>	
		<u>Custodial</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 605,867	\$ 605,867
Accounts Receivable	0	1,072	1,072
Due from Other Governments	133,543	0	133,543
Total Assets	<u>\$ 133,543</u>	<u>\$ 606,939</u>	<u>\$ 740,482</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 133,543	\$ 0	\$ 133,543
Total Liabilities	<u>\$ 133,543</u>	<u>\$ 0</u>	<u>\$ 133,543</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 606,939</u>	<u>\$ 606,939</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 606,939</u>	<u>\$ 606,939</u>

Polk County, Tennessee  
Combining Statement of Changes in Net Position  
Custodial Funds  
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 770,845	\$ 0	\$ 770,845
Fines/Fees and Other Collections	0	5,428,199	5,428,199
Total Additions	<u>\$ 770,845</u>	<u>\$ 5,428,199</u>	<u>\$ 6,199,044</u>
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 770,845	\$ 0	\$ 770,845
Payments to State	0	2,590,174	2,590,174
Payments to Cities, Individuals, and Others	0	3,139,763	3,139,763
Total Deductions	<u>\$ 770,845</u>	<u>\$ 5,729,937</u>	<u>\$ 6,500,782</u>
Change in Net Position	\$ 0	\$ (301,738)	\$ (301,738)
Net Position July 1, 2022	<u>0</u>	<u>908,677</u>	<u>908,677</u>
Net Position June 30, 2023	<u>\$ 0</u>	<u>\$ 606,939</u>	<u>\$ 606,939</u>

# Polk County School Department

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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.

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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, but a balance remains in the fund.

Exhibit I-1

Polk County, Tennessee  
Statement of Activities  
Discretely Presented Polk County School Department  
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 14,919,081	\$ 95	\$ 5,100,998	\$ 0	\$ (9,817,988)
Support Services	8,380,420	55	798,964	213,000	(7,368,401)
Operation of Non-instructional Services	4,150,029	77,975	2,110,678	0	(1,961,376)
<b>Total Governmental Activities</b>	<b>\$ 27,449,530</b>	<b>\$ 78,125</b>	<b>\$ 8,010,640</b>	<b>\$ 213,000</b>	<b>\$ (19,147,765)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,508,779
Local Option Sales Taxes					3,205,213
Other Local Taxes					28,999
Grants and Contributions Not Restricted to Specific Programs					15,475,800
Unrestricted Investment Earnings					13,457
Miscellaneous					94,463
Sale of Equipment					6,700
<b>Total General Revenues</b>					<b>\$ 20,333,411</b>
Change in Net Position					\$ 1,185,646
Net Position, July 1, 2022					21,032,454
Prior Period Adjustment - See Note I.D.9.					(1,430)
<b>Net Position, June 30, 2023</b>					<b>\$ 22,216,670</b>

Exhibit I-2

Polk County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Polk County School Department  
June 30, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	469,330	\$ 469,330
Equity in Pooled Cash and Investments	2,928,995	203,939	741,156	346,717	4,220,807
Accounts Receivable	112,567	2,008	0	0	114,575
Due from Other Governments	1,375,694	352,624	86,190	27,814	1,842,322
Due from Other Funds	54,878	56,142	201,449	0	312,469
Property Taxes Receivable	2,207,101	0	0	0	2,207,101
Allowance for Uncollectible Property Taxes	(80,534)	0	0	0	(80,534)
Other Current Assets	0	0	0	883	883
Restricted Assets	197,939	0	0	0	197,939
Total Assets	<u>\$ 6,796,640</u>	<u>\$ 614,713</u>	<u>\$ 1,028,795</u>	<u>\$ 844,744</u>	<u>\$ 9,284,892</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 233,859	\$ 131,388	\$ 0	\$ 8,600	\$ 373,847
Accrued Payroll	0	106	0	0	106
Payroll Deductions Payable	1,530	0	0	18,300	19,830
Due to Other Funds	257,591	54,878	0	0	312,469
Due to State of Tennessee	0	4,213	0	242	4,455
Total Liabilities	<u>\$ 492,980</u>	<u>\$ 190,585</u>	<u>\$ 0</u>	<u>\$ 27,142</u>	<u>\$ 710,707</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,053,489	\$ 0	\$ 0	\$ 0	\$ 2,053,489
Deferred Delinquent Property Taxes	69,841	0	0	0	69,841
Other Deferred/Unavailable Revenue	267,448	0	44,152	0	311,600
Total Deferred Inflows of Resources	<u>\$ 2,390,778</u>	<u>\$ 0</u>	<u>\$ 44,152</u>	<u>\$ 0</u>	<u>\$ 2,434,930</u>

(Continued)

Exhibit I-2

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 17,676	\$ 74,128	\$ 984,643	\$ 817,602	\$ 1,894,049
Restricted for Hybrid Retirement Stabilization Funds	197,939	0	0	0	197,939
Committed:					
Committed for Education	0	350,000	0	0	350,000
Assigned:					
Assigned for Education	14,387	0	0	0	14,387
Unassigned	3,682,880	0	0	0	3,682,880
Total Fund Balances	<u>\$ 3,912,882</u>	<u>\$ 424,128</u>	<u>\$ 984,643</u>	<u>\$ 817,602</u>	<u>\$ 6,139,255</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,796,640</u>	<u>\$ 614,713</u>	<u>\$ 1,028,795</u>	<u>\$ 844,744</u>	<u>\$ 9,284,892</u>

Exhibit I-3

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, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 6,139,255
(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: construction in progress	17,300	
Add: buildings and improvements net of accumulated depreciation	10,747,253	
Add: other capital assets net of accumulated depreciation	<u>1,495,455</u>	12,661,508
(2) Internal service funds are used by management to charge the cost of employee self-insurance benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		41,225
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: pension liability - agent plan	\$ (10,574)	
Less: OPEB liability	<u>(3,639,942)</u>	(3,650,516)
(4) 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/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,328,044	
Less: deferred inflows of resources related to pensions	(1,019,330)	
Add: deferred outflows of resources related to OPEB	826,216	
Less: deferred inflows of resources related to OPEB	<u>(909,758)</u>	3,225,172
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets - teacher retirement plan	\$ 53,130	
Add: net pension assets - teacher legacy pension plan	<u>3,365,455</u>	3,418,585
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>381,441</u>
Net position of governmental activities (Exhibit A)		<u>\$ 22,216,670</u>



Exhibit I-4

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, 2023

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 4,658,521	\$ 0	\$ 277,362	\$ 0	\$ 4,935,883
Licenses and Permits	1,482	0	0	0	1,482
Fines, Forfeitures, and Penalties	95	0	0	0	95
Charges for Current Services	55	0	0	63,475	63,530
Other Local Revenues	262,165	0	0	763,769	1,025,934
State of Tennessee	15,626,876	0	0	10,834	15,637,710
Federal Government	1,084,962	4,395,750	0	1,544,674	7,025,386
Other Governments and Citizens Groups	213,000	0	0	0	213,000
Total Revenues	<u>\$ 21,847,156</u>	<u>\$ 4,395,750</u>	<u>\$ 277,362</u>	<u>\$ 2,382,752</u>	<u>\$ 28,903,020</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 11,428,502	\$ 3,183,805	\$ 0	\$ 0	\$ 14,612,307
Support Services	8,068,290	1,115,193	2,536	0	9,186,019
Operation of Non-Instructional Services	1,115,480	14,968	0	2,585,408	3,715,856
Capital Outlay	96,258	193,648	0	0	289,906
Debt Service:					
Other Debt Service	650,000	0	0	0	650,000
Total Expenditures	<u>\$ 21,358,530</u>	<u>\$ 4,507,614</u>	<u>\$ 2,536</u>	<u>\$ 2,585,408</u>	<u>\$ 28,454,088</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 488,626	\$ (111,864)	\$ 274,826	\$ (202,656)	\$ 448,932
Net Change in Fund Balances	\$ 488,626	\$ (111,864)	\$ 274,826	\$ (202,656)	\$ 448,932
Prior-period Adjustment	0	0	0	(1,430)	(1,430)
Fund Balance, July 1, 2022	<u>3,424,256</u>	<u>535,992</u>	<u>709,817</u>	<u>1,021,688</u>	<u>5,691,753</u>
Fund Balance, June 30, 2023	<u>\$ 3,912,882</u>	<u>\$ 424,128</u>	<u>\$ 984,643</u>	<u>\$ 817,602</u>	<u>\$ 6,139,255</u>

Exhibit I-5

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, 2023

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 448,932
(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	\$ 761,654	
Less: current-year depreciation expense	<u>(588,826)</u>	172,828
(2) 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, 2023	\$ 381,441	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(506,007)</u>	(124,566)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset/liability - agent plan	\$ (676,770)	
Change in net pension asset - teacher retirement plan	(91,789)	
Change in net pension asset - teacher legacy pension plan	(7,544,411)	
Change in deferred outflows related to pensions	(293,835)	
Change in deferred inflows related to pensions	9,449,106	
Change in OPEB Liability	375,480	
Change in deferred outflows related to OPEB	(114,256)	
Change in deferred inflows related to OPEB	<u>(415,077)</u>	688,448
(4) 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.		<u>4</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,185,646</u>

Exhibit I-6

Polk County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Polk County School Department  
June 30, 2023

	<u>Special Revenue Funds</u>		
	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 600	\$ 468,730	\$ 469,330
Equity in Pooled Cash and Investments	346,717	0	346,717
Due from Other Governments	27,814	0	27,814
Other Current Assets	0	883	883
Total Assets	<u>\$ 375,131</u>	<u>\$ 469,613</u>	<u>\$ 844,744</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 8,600	\$ 8,600
Payroll Deductions Payable	18,300	0	18,300
Due to State of Tennessee	242	0	242
Total Liabilities	<u>\$ 18,542</u>	<u>\$ 8,600</u>	<u>\$ 27,142</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 356,589	\$ 461,013	\$ 817,602
Total Fund Balances	<u>\$ 356,589</u>	<u>\$ 461,013</u>	<u>\$ 817,602</u>
Total Liabilities and Fund Balances	<u>\$ 375,131</u>	<u>\$ 469,613</u>	<u>\$ 844,744</u>

Exhibit I-7

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, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<u>Revenues</u>			
Charges for Current Services	\$ 63,475	\$ 0	\$ 63,475
Other Local Revenues	0	763,769	763,769
State of Tennessee	10,834	0	10,834
Federal Government	1,544,674	0	1,544,674
Total Revenues	<u>\$ 1,618,983</u>	<u>\$ 763,769</u>	<u>\$ 2,382,752</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,829,514	\$ 755,894	\$ 2,585,408
Total Expenditures	<u>\$ 1,829,514</u>	<u>\$ 755,894</u>	<u>\$ 2,585,408</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (210,531)</u>	<u>\$ 7,875</u>	<u>\$ (202,656)</u>
Net Change in Fund Balances	\$ (210,531)	\$ 7,875	\$ (202,656)
Prior-period Adjustment	0	(1,430)	(1,430)
Fund Balance, July 1, 2022	567,120	454,568	1,021,688
Fund Balance, June 30, 2023	<u>\$ 356,589</u>	<u>\$ 461,013</u>	<u>\$ 817,602</u>

Exhibit I-8

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,658,521	\$ 0	\$ 0	\$ 4,658,521	\$ 3,959,293	\$ 4,076,293	\$ 582,228
Licenses and Permits	1,482	0	0	1,482	1,500	1,500	(18)
Fines, Forfeitures, and Penalties	95	0	0	95	1,500	1,500	(1,405)
Charges for Current Services	55	0	0	55	0	0	55
Other Local Revenues	262,165	0	0	262,165	119,920	152,765	109,400
State of Tennessee	15,626,876	0	0	15,626,876	14,580,669	15,283,166	343,710
Federal Government	1,084,962	0	0	1,084,962	257,000	1,184,777	(99,815)
Other Governments and Citizens Groups	213,000	0	0	213,000	0	213,000	0
<b>Total Revenues</b>	<b>\$ 21,847,156</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 21,847,156</b>	<b>\$ 18,919,882</b>	<b>\$ 20,913,001</b>	<b>\$ 934,155</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 9,053,876	\$ (2,500)	\$ 202	\$ 9,051,578	\$ 8,945,628	\$ 9,033,623	\$ (17,955)
Alternative Instruction Program	109,918	0	0	109,918	108,300	109,725	(193)
Special Education Program	960,826	0	0	960,826	979,570	1,015,405	54,579
Career and Technical Education Program	1,303,882	0	0	1,303,882	757,746	868,836	(435,046)
<u>Support Services</u>							
Attendance	54,410	0	0	54,410	55,685	53,752	(658)
Health Services	242,568	0	0	242,568	142,452	246,202	3,634
Other Student Support	808,342	(1,321)	2,603	809,624	652,859	1,016,477	206,853
Regular Instruction Program	618,213	0	0	618,213	632,254	613,809	(4,404)
Special Education Program	220,570	0	0	220,570	262,174	226,116	5,546
Career and Technical Education Program	62,677	0	0	62,677	55,820	55,861	(6,816)
Technology	278,077	0	0	278,077	140,935	203,010	(75,067)
Other Programs	58,996	0	0	58,996	0	58,996	0
Board of Education	419,401	0	0	419,401	480,781	600,424	181,023
Director of Schools	333,841	0	380	334,221	308,866	343,532	9,311
Office of the Principal	1,291,986	0	0	1,291,986	1,269,796	1,275,656	(16,330)
Fiscal Services	212,711	0	254	212,965	217,304	213,875	910

(Continued)

Exhibit I-8

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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 1,670,154	\$ (5,800)	\$ 6,526	\$ 1,670,880	\$ 1,561,862	\$ 1,694,655	\$ 23,775
Maintenance of Plant	218,348	0	3,000	221,348	207,185	242,701	21,353
Transportation	1,577,996	(13,161)	0	1,564,835	1,214,820	1,569,252	4,417
<u>Operation of Non-Instructional Services</u>							
Food Service	123,108	0	0	123,108	109,853	107,871	(15,237)
Community Services	395,361	0	1,422	396,783	0	399,930	3,147
Early Childhood Education	597,011	0	0	597,011	85,992	604,067	7,056
<u>Capital Outlay</u>							
Regular Capital Outlay	96,258	0	0	96,258	80,000	97,000	742
<u>Other Debt Service</u>							
Education	650,000	0	0	650,000	650,000	650,000	0
Total Expenditures	\$ 21,358,530	\$ (22,782)	\$ 14,387	\$ 21,350,135	\$ 18,919,882	\$ 21,300,775	\$ (49,360)
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 488,626	\$ 22,782	\$ (14,387)	\$ 497,021	\$ 0	\$ (387,774)	\$ 884,795
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,942	\$ (32,942)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,942	\$ (32,942)
Net Change in Fund Balance							
Fund Balance, July 1, 2022	\$ 3,424,256	(22,782)	0	3,401,474	1,916,398	1,916,398	1,485,076
Fund Balance, June 30, 2023	\$ 3,912,882	\$ 0	\$ (14,387)	\$ 3,898,495	\$ 1,916,398	\$ 1,561,566	\$ 2,336,929

Exhibit I-9

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 4,395,750	\$ 0	\$ 0	\$ 4,395,750	\$ 1,440,325	\$ 6,279,676	\$ (1,883,926)
<b>Total Revenues</b>	<b>\$ 4,395,750</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,395,750</b>	<b>\$ 1,440,325</b>	<b>\$ 6,279,676</b>	<b>\$ (1,883,926)</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,838,625	\$ 0	\$ 19,193	\$ 1,857,818	\$ 472,771	\$ 2,710,545	\$ 852,727
Special Education Program	866,520	0	0	866,520	532,103	1,009,195	142,675
Career and Technical Education Program	478,660	(65,872)	2,600	415,388	19,000	607,052	191,664
<u>Support Services</u>							
Health Services	21,402	0	0	21,402	0	25,585	4,183
Other Student Support	340,370	0	0	340,370	198,063	402,363	61,993
Regular Instruction Program	369,643	0	0	369,643	184,827	496,799	127,156
Special Education Program	115,563	0	0	115,563	17,629	140,466	24,903
Career and Technical Education Program	5,203	(735)	0	4,468	3,000	4,063	(405)
Technology	142,556	0	0	142,556	11,932	181,741	39,185
Director of Schools	13,518	0	0	13,518	0	28,554	15,036
Operation of Plant	42,082	0	0	42,082	0	56,858	14,776
Transportation	64,856	0	0	64,856	1,000	72,420	7,564
<u>Operation of Non-Instructional Services</u>							
Food Service	14,968	0	0	14,968	0	35,538	20,570
<u>Capital Outlay</u>							
Regular Capital Outlay	193,648	0	0	193,648	0	508,498	314,850
<b>Total Expenditures</b>	<b>\$ 4,507,614</b>	<b>\$ (66,607)</b>	<b>\$ 21,793</b>	<b>\$ 4,462,800</b>	<b>\$ 1,440,325</b>	<b>\$ 6,279,677</b>	<b>\$ 1,816,877</b>
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (111,864)	\$ 66,607	\$ (21,793)	\$ (67,050)	\$ 0	\$ (1)	\$ (67,049)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2022	\$ 535,992	(66,607)	0	469,385	350,000	350,000	119,385
<b>Fund Balance, June 30, 2023</b>	<b>\$ 424,128</b>	<b>\$ 0</b>	<b>\$ (21,793)</b>	<b>\$ 402,335</b>	<b>\$ 350,000</b>	<b>\$ 349,999</b>	<b>\$ 52,336</b>

Exhibit I-10

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 63,475	\$ 96,000	\$ 96,000	\$ (32,525)
Other Local Revenues	0	10	10	(10)
State of Tennessee	10,834	14,000	14,000	(3,166)
Federal Government	1,544,674	1,350,779	1,350,779	193,895
Total Revenues	<u>\$ 1,618,983</u>	<u>\$ 1,460,789</u>	<u>\$ 1,460,789</u>	<u>\$ 158,194</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,829,514	\$ 1,460,789	\$ 1,460,789	\$ (368,725)
Total Expenditures	<u>\$ 1,829,514</u>	<u>\$ 1,460,789</u>	<u>\$ 1,460,789</u>	<u>\$ (368,725)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (210,531)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (210,531)</u>
Net Change in Fund Balance	\$ (210,531)	\$ 0	\$ 0	(210,531)
Fund Balance, July 1, 2022	567,120	491,903	491,903	75,217
Fund Balance, June 30, 2023	<u>\$ 356,589</u>	<u>\$ 491,903</u>	<u>\$ 491,903</u>	<u>\$ (135,314)</u>



Exhibit I-11

Polk County, Tennessee  
Statement of Net Position  
Discretely Presented Polk County School Department  
Proprietary Fund  
June 30, 2023

	<u>Governmental                      Activities -                      Internal                      Service Fund</u> Self- Insurance <u>Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ <u>41,225</u>
Total Assets	\$ <u>41,225</u>
<u>NET POSITION</u>	
Restricted for Education	\$ <u>41,225</u>
Total Net Position	\$ <u><u>41,225</u></u>

Exhibit I-12

Polk County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Discretely Presented Polk County School Department  
Proprietary Fund  
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund <hr/> Self- Insurance Fund <hr/>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 4
Total Nonoperating Revenues	<hr/> \$ 4
Change in Net Position	\$ 4
Net Position, July 1, 2022	<hr/> 41,221
Net Position, June 30, 2023	<hr/> <hr/> \$ 41,225

Exhibit I-13

Polk County, Tennessee  
Statement of Cash Flows  
Discretely Presented Polk County School Department  
Proprietary Fund  
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund <hr/> Self- Insurance Fund <hr/>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 4
Net Cash Provided By (Used In) Investing Activities	<u>\$ 4</u>
Net Increase (Decrease) in Cash	\$ 4
Cash, July 1, 2022	<u>41,221</u>
Cash, June 30, 2023	<u><u>\$ 41,225</u></u>

# MISCELLANEOUS SCHEDULES

Exhibit J-1

Polk County, Tennessee  
Schedule of Changes in Long-Term Notes and Other Loans  
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-23
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Highway Capital Outlay Note 2019	\$ 700,000	3.73	% 8-16-19	8-1-24	\$ 435,000	\$ 0	\$ 140,000	\$ 295,000
Total Notes Payable					\$ 435,000	\$ 0	\$ 140,000	\$ 295,000
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Series 2014 - School Roofs and Other Repairs	1,713,451	Variable	9-4-14	5-25-26	\$ 534,900	\$ 0	\$ 161,000	\$ 373,900
General Obligation Refunding Series 2017	11,955,000	Variable	4-28-17	5-25-25	5,000,000	0	1,585,000	3,415,000
Bus - 300	210,000	4.71	9-19-19	9-30-24	85,797	0	41,911	43,886
Bus - 301	85,000	4.71	12-18-19	12-31-24	34,727	0	16,964	17,763
Bus - 302	212,000	4.71	7-30-20	8-1-25	127,020	0	40,407	86,613
Bus - 303	314,000	4.71	8-13-21	8-18-26	245,291	0	57,156	188,135
Bus - 18132	213,000	4.75	7-1-22	7-14-26	0	213,000	46,643	166,357
Total Other Loans Payable					\$ 6,027,735	\$ 213,000	\$ 1,949,081	\$ 4,291,654

Exhibit J-2

Polk County, Tennessee  
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2024	\$ 145,000	\$ 8,299	\$ 153,299
2025	150,000	2,797	152,797
Total	\$ 295,000	\$ 11,096	\$ 306,096

Year Ending June 30	Other Loans			
	Principal	Interest	Fees	Total
2024	\$ 2,031,548	\$ 188,844	\$ 8,675	\$ 2,229,067
2025	2,064,551	95,918	6,001	2,166,470
2026	151,028	9,010	1,534	161,572
2027	44,527	2,115	0	46,642
Total	\$ 4,291,654	\$ 295,887	\$ 16,210	\$ 4,603,751

Exhibit J-3

Polk County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Highway/Public Works	Operations	\$ 9,000
Other Special Revenue	General	Operations	519,693
Highway/Public Works	General Debt Service	Debt retirement	<u>153,615</u>
Total Transfers Primary Government			<u>\$ 682,308</u>

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, 2023

Official	Authorization	Bond	Surety
<b>County Executive</b>	Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ <u>95,168</u>		
<b>Highway Superintendent</b>	Section 8-24-102, <i>TCA</i>	\$ 100,000	Cincinnati Insurance Company
Base salary/Total compensation	\$ <u>90,636</u>		
<b>Director of Schools</b>	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 113,217		
Travel allowance	9,000		
Unused vacation days payout	4,717		
Chief executive officer training supplement	600		
Total compensation	\$ <u>127,534</u>		
<b>Director of Accounts and Budgets</b>	County Commission	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ <u>39,369</u>		
<b>Trustee</b>	Section 8-24-102, <i>TCA</i>	777,850	Western Surety Company
Base salary/Total compensation	\$ <u>82,396</u>		
<b>Assessor of Property</b>	Section 8-24-102, <i>TCA</i>	(1)	Local Government Insurance Pool
Base salary/Total compensation	\$ <u>82,396</u>		
<b>County Clerk</b>	Section 8-24-102, <i>TCA</i>	(1)	"
Base salary/Total compensation	\$ <u>82,396</u>		
<b>Circuit and General Sessions Courts Clerk</b>	Section 8-24-102, <i>TCA</i>	(1)	"
Base salary/Total compensation	\$ <u>82,396</u>		
<b>Clerk and Master</b>	Section 8-24-102, <i>TCA</i>	(1)	"
Base salary/Total compensation	\$ <u>82,396</u>		

(Continued)



Polk County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Polk County School Department (Cont.)

Official	Authorization	Bond	Surety
<b>Register of Deeds - Donna Bramlett (7/1/22-8/31/22)</b>	Section 8-24-102, <i>TCA</i>	(1)	"
Base salary/Total compensation	\$ 18,381		
<b>Register of Deeds - Kile Swafford (9/1/22-6/30/23)</b>	Section 8-24-102, <i>TCA</i>	(1)	"
Base salary/Total compensation	\$ 64,015		
Total Register of Deeds compensation	\$ 82,396		
<b>Sheriff</b>	Section 8-24-102, <i>TCA</i>	(1)	"
Base salary	\$ 90,636		
Law enforcement training supplement	800		
Total compensation	\$ 91,436		

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.

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2023

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,196,009	\$ 509,605	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	152,920	9,295	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	238,526	15,266	0	0	0	0
Interest and Penalty	30,751	2,184	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	77,256	5,895	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	4,526	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	142,350	13,957	0	0	0	0
<u>County Local Option Taxes</u>						
Hotel/Motel Tax	88,534	0	0	0	0	0
Local Amusement Tax	52,957	0	0	0	0	0
Litigation Tax - General	46,501	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	28,492	0	0	0	0	0
Litigation Tax - Courthouse Security	2,308	0	0	0	0	0
Business Tax	69,671	6,068	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	36,799	3,608	0	0	0	0
Wholesale Beer Tax	190,913	0	0	0	0	0
Beer Privilege Tax	3,610	0	0	0	0	0
Total Local Taxes	\$ 6,362,123	\$ 565,878	\$ 0	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 122,273	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	2,138	0	0	0	0	0

(Continued)

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Building Permits	\$ 5,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Electrical Permits	9,105	0	0	0	0	0
Total Licenses and Permits	\$ 139,366	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 9,859	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	3,161	0	0	0	0	0
Drug Control Fines	0	0	9,710	0	0	0
Drug Court Fees	869	0	0	0	0	0
Jail Fees	1,556	0	0	0	0	0
DUI Treatment Fines	570	0	0	0	0	0
Data Entry Fee - Circuit Court	818	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	642	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	9,237	0	0	0	0	0
Officers Costs	25,081	0	0	0	0	0
Game and Fish Fines	188	0	0	0	0	0
Drug Control Fines	0	0	24,200	0	0	0
Drug Court Fees	10,039	0	0	0	0	0
Jail Fees	8,053	0	0	0	0	0
DUI Treatment Fines	1,852	0	0	0	0	0
Data Entry Fee - General Sessions Court	4,035	0	0	0	0	0
Courtroom Security Fee	28,370	0	0	0	0	0

(Continued)

Exhibit J-5

Polk County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Data Entry Fee - Juvenile Court	\$ 284	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Chancery Court</u>						
Officers Costs	1,080	0	0	0	0	0
Data Entry Fee - Chancery Court	4,146	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	95	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	29,163	0	0	0
Courtroom Security Fee	10	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	4,683	0	13,606	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 114,628</b>	<b>\$ 0</b>	<b>\$ 76,679</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Self-Insurance Premiums/Contributions	\$ 8,464	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Convenience Waste Centers Collection Charge	0	14,520	0	0	0	0
Work Release Charges for Board	180	0	0	0	0	0
<u>Fees</u>						
Copy Fees	5,136	0	0	0	0	0
Library Fees	470	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0
Additional Fees - Titling and Registration	17,688	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	410	0
Data Processing Fee - Register	6,362	0	0	0	0	0

(Continued)

Exhibit J-5

Polk County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Probation Fees	\$ 41,307	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	1,336	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,000	0	0	0	0	0
Data Processing Fee - County Clerk	2,031	0	0	0	0	0
Vehicle Registration Reinstatement Fees	860	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	1,035	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 86,869</b>	<b>\$ 14,520</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 410</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3
Lease/Rentals	43,384	0	0	0	0	0
Sale of Materials and Supplies	15	0	0	0	0	995
Commissary Sales	39,498	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	356,311
Miscellaneous Refunds	128,715	0	0	0	0	23,084
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	85,860
Sale of Property	197,001	0	0	0	0	0
Contributions and Gifts	41,548	0	10,000	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	1,020	0	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 451,181</b>	<b>\$ 0</b>	<b>\$ 10,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 466,253</b>

(Continued)

Exhibit J-5

Polk County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 222,470	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	36,096	0	0	0	0	0
General Sessions Court Clerk	90,443	0	0	0	0	0
Clerk and Master	104,390	0	0	0	0	0
Register	88,786	0	0	0	0	0
Sheriff	7,752	0	0	0	0	0
Trustee	302,338	0	0	0	0	0
<b>Total Fees Received From County Officials</b>	<b>\$ 852,275</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	128,393	0	0	0	0	0
Child Restraint Program	2,251	0	0	0	0	0
Aging Programs	15,115	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	20,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	155,335	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	50,308	0	0	0	0	0
Other Public Works Grants	9,838	0	0	0	0	0
<u>Other State Revenues</u>						
Beer Tax	19,200	0	0	0	0	0
Vehicle Certificate of Title Fees	17,052	0	0	0	0	0

(Continued)

Exhibit J-5

Polk County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 67,135	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Opioid Settlement Funds - TN Abatement Council	77,858	0	0	0	0	0
State Revenue Sharing - T.V.A.	582,102	57,071	0	0	0	0
State Revenue Sharing - Telecommunications	39,667	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	24,762	0	0	0	0	0
Contracted Prisoner Boarding	1,174,970	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,375,677
Petroleum Special Tax	0	0	0	0	0	11,625
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	157,396	0	0	0	0	0
Other State Revenues	287	0	0	0	0	0
<b>Total State of Tennessee</b>	<b>\$ 2,565,833</b>	<b>\$ 57,071</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,387,302</b>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 17,858	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	8,995	0	0	0	0	190,405
<u>Direct Federal Revenue</u>						
Forest Service	37,268	0	0	0	0	84,474
American Rescue Plan Act Grant #6	0	0	0	6,075	0	0
Other Direct Federal Revenue	5,100	0	0	0	0	6,287
<b>Total Federal Government</b>	<b>\$ 69,221</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,075</b>	<b>\$ 0</b>	<b>\$ 281,166</b>

(Continued)

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 120,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	0	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	1,000	0	0	0	0	0
<u>Other</u>						
Opioid Settlement Funds - Past Remediation	62,309	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 183,309</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 10,824,805</u>	<u>\$ 637,469</u>	<u>\$ 86,679</u>	<u>\$ 6,075</u>	<u>\$ 410</u>	<u>\$ 3,134,721</u>

(Continued)



Exhibit J-5

Polk County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Debt Service			Capital Projects Funds		Total
	Debt Service	General Debt	Capital Projects	General Capital	Other Capital	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 936,741	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,642,355
Trustee's Collections - Prior Year	35,138	0	0	0	0	197,353
Circuit Clerk/Clerk and Master Collections - Prior Years	53,092	0	0	0	0	306,884
Interest and Penalty	6,578	0	0	0	0	39,513
Payments in-Lieu-of Taxes - T.V.A.	14,217	0	0	0	0	97,368
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	4,526
Payments in-Lieu-of Taxes - Other	25,689	0	0	0	0	181,996
<u>County Local Option Taxes</u>						
Hotel/Motel Tax	44,267	0	0	0	0	132,801
Local Amusement Tax	0	0	0	0	0	52,957
Litigation Tax - General	0	0	0	0	0	46,501
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	28,492
Litigation Tax - Courthouse Security	0	0	0	0	0	2,308
Business Tax	12,448	0	0	0	0	88,187
<u>Statutory Local Taxes</u>						
Bank Excise Tax	6,641	0	0	0	0	47,048
Wholesale Beer Tax	0	0	0	0	0	190,913
Beer Privilege Tax	0	0	0	0	0	3,610
Total Local Taxes	\$ 1,134,811	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,062,812
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 122,273
<u>Permits</u>						
Beer Permits	0	0	0	0	0	2,138

(Continued)

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Debt Service Fund		Capital Projects Funds		Total
	General Debt Service	General Capital Projects	Other Capital Projects		
<u>Licenses and Permits (Cont.)</u>					
<u>Permits (Cont.)</u>					
Building Permits	\$ 0	\$ 0	\$ 0	\$	5,850
Electrical Permits	0	0	0		9,105
<b>Total Licenses and Permits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$</b>	<b>139,366</b>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$	9,859
Officers Costs	0	0	0		3,161
Drug Control Fines	0	0	0		9,710
Drug Court Fees	0	0	0		869
Jail Fees	0	0	0		1,556
DUI Treatment Fines	0	0	0		570
Data Entry Fee - Circuit Court	0	0	0		818
<u>Criminal Court</u>					
DUI Treatment Fines	0	0	0		642
<u>General Sessions Court</u>					
Fines	0	0	0		9,237
Officers Costs	0	0	0		25,081
Game and Fish Fines	0	0	0		188
Drug Control Fines	0	0	0		24,200
Drug Court Fees	0	0	0		10,039
Jail Fees	0	0	0		8,053
DUI Treatment Fines	0	0	0		1,852
Data Entry Fee - General Sessions Court	0	0	0		4,035
Courtroom Security Fee	0	0	0		28,370

(Continued)

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Debt Service			Capital Projects Funds			Total
	Debt Service Fund	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Data Entry Fee - Juvenile Court	\$	0	\$	0	\$	0	\$ 284
<u>Chancery Court</u>							
Officers Costs		0		0		0	1,080
Data Entry Fee - Chancery Court		0		0		0	4,146
<u>Other Courts - In-county</u>							
Fines		0		0		0	95
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures		0		0		0	29,163
Courtroom Security Fee		0		0		0	10
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property		0		0		0	18,289
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$ 191,307</b>
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-Insurance Premiums/Contributions	\$	0	\$	0	\$	0	\$ 8,464
Convenience Waste Centers Collection Charge		0		0		0	14,520
Work Release Charges for Board		0		0		0	180
<u>Fees</u>							
Copy Fees		0		0		0	5,136
Library Fees		0		0		0	470
Telephone Commissions		0		0		94,752	94,752
Additional Fees - Titling and Registration		0		0		0	17,688
Constitutional Officers' Fees and Commissions		0		0		0	410
Data Processing Fee - Register		0		0		0	6,362

(Continued)

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Debt Service		Capital Projects Funds		Total
	Fund				
	General	General	Other		
	Debt	Capital	Capital		
	Service	Projects	Projects		
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Probation Fees	\$ 0	\$ 0	\$ 0	\$	41,307
Data Processing Fee - Sheriff	0	0	0		1,336
Sexual Offender Registration Fee - Sheriff	0	0	0		2,000
Data Processing Fee - County Clerk	0	0	0		2,031
Vehicle Registration Reinstatement Fees	0	0	0		860
<u>Education Charges</u>					
Community Service Fees - Adults	0	0	0		1,035
Total Charges for Current Services	\$ 0	\$ 0	\$ 94,752	\$	196,551
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 13,491	\$ 0	\$ 0	\$	13,494
Lease/Rentals	0	12,000	0		55,384
Sale of Materials and Supplies	0	0	0		1,010
Commissary Sales	0	0	0		39,498
Sale of Gasoline	0	0	0		356,311
Miscellaneous Refunds	0	0	0		151,799
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0		85,860
Sale of Property	0	0	6,728		203,729
Contributions and Gifts	0	0	5,000		56,548
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0		1,020
Total Other Local Revenues	\$ 13,491	\$ 12,000	\$ 11,728	\$	964,653

(Continued)

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Debt Service			Capital Projects Funds		Total
	Fund	General	Debt	General	Other	
	Service	Capital	Projects	Capital	Projects	
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	222,470
Circuit Court Clerk	0	0	0	0	0	36,096
General Sessions Court Clerk	0	0	0	0	0	90,443
Clerk and Master	0	0	0	0	0	104,390
Register	0	0	0	0	0	88,786
Sheriff	0	0	0	0	0	7,752
Trustee	0	0	0	0	0	302,338
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	852,275
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Airport Maintenance Program	0	10,935	0	0	0	139,328
Child Restraint Program	0	0	0	0	0	2,251
Aging Programs	0	0	0	0	0	15,115
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	20,000
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	155,335
<u>Public Works Grants</u>						
Litter Program	0	0	0	0	0	50,308
Other Public Works Grants	0	0	0	0	0	9,838
<u>Other State Revenues</u>						
Beer Tax	0	0	0	0	0	19,200
Vehicle Certificate of Title Fees	0	0	0	0	0	17,052

(Continued)

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Debt Service		Capital Projects Funds		Total
	Fund				
	General	General	Other		
	Debt	Capital	Capital		
	Service	Projects	Projects		
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	67,135
Opioid Settlement Funds - TN Abatement Council	0	0	0	0	77,858
State Revenue Sharing - T.V.A.	105,049	0	0	0	744,222
State Revenue Sharing - Telecommunications	0	0	0	0	39,667
State Shared Sports Gaming Privilege Tax	0	0	0	0	24,762
Contracted Prisoner Boarding	0	0	0	0	1,174,970
Gasoline and Motor Fuel Tax	0	0	0	0	2,375,677
Petroleum Special Tax	0	0	0	0	11,625
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	157,396
Other State Revenues	0	0	0	0	287
Total State of Tennessee	\$ 105,049	\$ 10,935	\$ 0	\$ 0	5,126,190
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	17,858
Other Federal through State	0	0	0	0	199,400
<u>Direct Federal Revenue</u>					
Forest Service	0	0	0	0	121,742
American Rescue Plan Act Grant #6	0	0	0	0	6,075
Other Direct Federal Revenue	0	0	0	0	11,387
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	356,462

(Continued)

Exhibit J-5

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	<u>Debt Service</u> <u>Fund</u>	<u>Capital Projects Funds</u>		
	General Debt Service	General Capital Projects	Other Capital Projects	Total
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 876,297	\$ 0	\$ 0	\$ 996,297
Contracted Services	0	0	73,571	73,571
<u>Citizens Groups</u>				
Donations	0	0	0	1,000
<u>Other</u>				
Opioid Settlement Funds - Past Remediation	0	0	0	62,309
Total Other Governments and Citizens Groups	<u>\$ 876,297</u>	<u>\$ 0</u>	<u>\$ 73,571</u>	<u>\$ 1,133,177</u>
Total	<u>\$ 2,129,648</u>	<u>\$ 22,935</u>	<u>\$ 180,051</u>	<u>\$ 17,022,793</u>

Exhibit J-6

Polk County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Polk County School Department  
For the Year Ended June 30, 2023

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Projects Fund Education Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,415,332	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,415,332
Trustee's Collections - Prior Year	58,290	0	0	0	0	58,290
Circuit Clerk/Clerk and Master Collections - Prior Years	113,386	0	0	0	0	113,386
Interest and Penalty	13,011	0	0	0	0	13,011
Payments in-Lieu-of Taxes - T.V.A.	17,899	0	0	0	0	17,899
Payments in-Lieu-of Taxes - Other	40,403	0	0	0	0	40,403
<u>County Local Option Taxes</u>						
Local Option Sales Tax	2,961,177	0	0	0	277,362	3,238,539
Business Tax	18,789	0	0	0	0	18,789
Mixed Drink Tax	10,210	0	0	0	0	10,210
<u>Statutory Local Taxes</u>						
Bank Excise Tax	10,024	0	0	0	0	10,024
Total Local Taxes	\$ 4,658,521	\$ 0	\$ 0	\$ 0	\$ 277,362	\$ 4,935,883
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,482
Total Licenses and Permits	\$ 1,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,482
<u>Fines, Forfeitures, and Penalties</u>						
<u>Juvenile Court</u>						
Fines	\$ 95	\$ 0	\$ 0	\$ 0	\$ 0	\$ 95
Total Fines, Forfeitures, and Penalties	\$ 95	\$ 0	\$ 0	\$ 0	\$ 0	\$ 95

(Continued)



Exhibit J-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Projects Fund Education Capital Projects	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 25,231	\$ 0	\$ 0	\$ 25,231
Income from Breakfast	0	0	3,406	0	0	3,406
A la Carte Sales	0	0	34,838	0	0	34,838
Community Service Fees - Adults	55	0	0	0	0	55
<b>Total Charges for Current Services</b>	<b>\$ 55</b>	<b>\$ 0</b>	<b>\$ 63,475</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 63,530</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 13,453	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,453
Lease/Rentals	14,500	0	0	0	0	14,500
Retirees' Insurance Payments	21,539	0	0	0	0	21,539
Miscellaneous Refunds	72,724	0	0	0	0	72,724
<u>Nonrecurring Items</u>						
Sale of Equipment	6,700	0	0	0	0	6,700
Damages Recovered from Individuals	200	0	0	0	0	200
Contributions and Gifts	132,837	0	0	0	0	132,837
<u>Other Local Revenues</u>						
Other Local Revenues	212	0	0	763,769	0	763,981
<b>Total Other Local Revenues</b>	<b>\$ 262,165</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 763,769</b>	<b>\$ 0</b>	<b>\$ 1,025,934</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 58,996	\$ 0	\$ 0	\$ 0	\$ 0	\$ 58,996

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Projects Fund Education Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 14,359,833	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,359,833
Early Childhood Education	510,745	0	0	0	0	510,745
School Food Service	0	0	10,834	0	0	10,834
Other State Education Funds	173,730	0	0	0	0	173,730
Coordinated School Health	100,000	0	0	0	0	100,000
Family Resource Centers	29,458	0	0	0	0	29,458
Career Ladder Program	18,573	0	0	0	0	18,573
Other Vocational	10,000	0	0	0	0	10,000
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	158,562	0	0	0	0	158,562
Other State Grants	154,203	0	0	0	0	154,203
Safe Schools	52,776	0	0	0	0	52,776
Total State of Tennessee	\$ 15,626,876	\$ 0	\$ 10,834	\$ 0	\$ 0	\$ 15,637,710
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 950,046	\$ 0	\$ 0	\$ 950,046
USDA - Commodities	0	0	134,849	0	0	134,849
Breakfast	0	0	370,906	0	0	370,906
USDA - Other	0	0	88,873	0	0	88,873
Vocational Education - Basic Grants to States	0	49,453	0	0	0	49,453
Title I Grants to Local Education Agencies	0	627,804	0	0	0	627,804
Innovative Education Program Strategies	0	246	0	0	0	246
Special Education - Grants to States	0	568,552	0	0	0	568,552

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Projects Fund Education Capital Projects	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education Preschool Grants	\$ 0	\$ 10,598	\$ 0	\$ 0	\$ 0	\$ 10,598
English Language Acquisition Grants	0	600	0	0	0	600
Rural Education	0	59,455	0	0	0	59,455
Eisenhower Professional Development State Grants	0	102,299	0	0	0	102,299
COVID-19 Grant B	0	644,858	0	0	0	644,858
COVID-19 Grant D	0	40,000	0	0	0	40,000
American Rescue Plan Act Grant #1	0	2,042,741	0	0	0	2,042,741
American Rescue Plan Act Grant #2	0	89,828	0	0	0	89,828
American Rescue Plan Act Grant #3	0	1,514	0	0	0	1,514
American Rescue Plan Act Grant #4	0	16,017	0	0	0	16,017
American Rescue Plan Act Grant B	0	71,250	0	0	0	71,250
Other Federal through State	792,073	70,535	0	0	0	862,608
<u>Direct Federal Revenue</u>						
Forest Service	126,710	0	0	0	0	126,710
COVID-19 Grant #6	28,688	0	0	0	0	28,688
Other Direct Federal Revenue	137,491	0	0	0	0	137,491
Total Federal Government	\$ 1,084,962	\$ 4,395,750	\$ 1,544,674	\$ 0	\$ 0	\$ 7,025,386
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 213,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 213,000
Total Other Governments and Citizens Groups	\$ 213,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 213,000
Total	\$ 21,847,156	\$ 4,395,750	\$ 1,618,983	\$ 763,769	\$ 277,362	\$ 28,903,020

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	28,035	
Social Security		1,666	
Employee and Dependent Insurance		40,060	
Employer Medicare		390	
Travel		1,650	
Workers' Compensation Insurance		250	
Total County Commission			\$ 72,051

County Mayor/Executive

County Official/Administrative Officer	\$	95,168	
Secretary(ies)		26,395	
Social Security		6,794	
Pensions		6,078	
Employee and Dependent Insurance		34,186	
Unemployment Compensation		42	
Employer Medicare		1,589	
Workers' Compensation Insurance		300	
Total County Mayor/Executive			170,552

County Attorney

County Official/Administrative Officer	\$	34,100	
Social Security		2,114	
Employer Medicare		494	
Total County Attorney			36,708

Election Commission

County Official/Administrative Officer	\$	74,156	
Deputy(ies)		22,941	
Election Commission		7,700	
Election Workers		20,100	
In-service Training		3,115	
Social Security		6,254	
Pensions		4,855	
Employee and Dependent Insurance		13,007	
Unemployment Compensation		42	
Employer Medicare		1,463	
Communication		2,485	
Legal Notices, Recording, and Court Costs		3,909	
Maintenance and Repair Services - Equipment		1,100	
Printing, Stationery, and Forms		440	
Rentals		600	
Other Contracted Services		68,444	
Other Supplies and Materials		393	
Liability Insurance		6,806	
Workers' Compensation Insurance		200	
Total Election Commission			238,010

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	82,396	
Clerical Personnel		40,513	
Social Security		7,104	
Pensions		6,145	
Employee and Dependent Insurance		27,873	
Unemployment Compensation		240	
Employer Medicare		1,662	
Dues and Memberships		645	
Maintenance Agreements		11,319	
Printing, Stationery, and Forms		1,926	
Travel		508	
Workers' Compensation Insurance		300	
Data Processing Equipment		4,633	
Total Register of Deeds			\$ 185,264

County Buildings

Custodial Personnel	\$	55,998	
Social Security		3,472	
Pensions		1,437	
Unemployment Compensation		107	
Employer Medicare		812	
Maintenance and Repair Services - Buildings		58,037	
Maintenance and Repair Services - Equipment		3,300	
Custodial Supplies		4,007	
Utilities		108,577	
Workers' Compensation Insurance		28,075	
Total County Buildings			263,822

Other General Administration

Life Insurance	\$	7,179	
Audit Services		7,368	
Communication		64,921	
Legal Services		17,086	
Legal Notices, Recording, and Court Costs		2,230	
Maintenance and Repair Services - Equipment		10,833	
Medical and Dental Services		37,662	
Pest Control		4,218	
Postal Charges		35,000	
Other Contracted Services		48,393	
Office Supplies		4,219	
Other Supplies and Materials		34,616	
Building and Contents Insurance		16,407	
Liability Insurance		17,153	
Other Charges		10,715	
Total Other General Administration			318,000

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	39,369	
Assistant(s)		23,740	
Social Security		3,850	
Pensions		3,155	
Employee and Dependent Insurance		3,050	
Unemployment Compensation		84	
Employer Medicare		900	
Data Processing Services		22,972	
Workers' Compensation Insurance		200	
Total Accounting and Budgeting			\$ 97,320

Property Assessor's Office

County Official/Administrative Officer	\$	82,396	
Assistant(s)		47,103	
Deputy(ies)		26,648	
Social Security		9,437	
Pensions		7,807	
Employee and Dependent Insurance		13,007	
Unemployment Compensation		126	
Employer Medicare		2,207	
Data Processing Services		12,612	
Dues and Memberships		645	
Travel		2,761	
Permits		7,435	
Other Contracted Services		7,980	
Office Supplies		1,272	
Other Supplies and Materials		1,570	
Workers' Compensation Insurance		400	
Total Property Assessor's Office			223,406

County Trustee's Office

County Official/Administrative Officer	\$	82,396
Deputy(ies)		75,963
In-service Training		1,803
Social Security		9,348
Pensions		7,918
Employee and Dependent Insurance		22,853
Unemployment Compensation		126
Employer Medicare		2,186
Communication		778
Data Processing Services		13,228
Dues and Memberships		645
Legal Notices, Recording, and Court Costs		72
Printing, Stationery, and Forms		383
Rentals		133
Travel		2,910
Data Processing Supplies		640

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Office Supplies	\$	680	
Workers' Compensation Insurance		500	
Data Processing Equipment		652	
Total County Trustee's Office			\$ 223,214

County Clerk's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		103,108	
Bonus Payments		8,600	
Social Security		11,366	
Pensions		9,705	
Employee and Dependent Insurance		43,675	
Unemployment Compensation		168	
Employer Medicare		2,658	
Dues and Memberships		645	
Legal Notices, Recording, and Court Costs		675	
Maintenance Agreements		15,281	
Travel		590	
Office Supplies		3,933	
Workers' Compensation Insurance		500	
Office Equipment		2,550	
Total County Clerk's Office			285,850

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		95,497	
Jury and Witness Expense		8,758	
Social Security		10,354	
Pensions		8,895	
Employee and Dependent Insurance		34,135	
Unemployment Compensation		179	
Employer Medicare		2,421	
Dues and Memberships		645	
Maintenance Agreements		17,572	
Printing, Stationery, and Forms		2,232	
Travel		173	
Other Supplies and Materials		2,744	
Workers' Compensation Insurance		500	
Data Processing Equipment		4,581	
Total Circuit Court			271,082

General Sessions Court

Judge(s)	\$	103,927	
Social Security		6,019	
Pensions		5,196	
Employee and Dependent Insurance		17,013	

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Employer Medicare	\$	1,408	
Dues and Memberships		400	
Travel		605	
Building and Contents Insurance		2,200	
Liability Insurance		2,200	
Workers' Compensation Insurance		200	
Total General Sessions Court			\$ 139,168

Chancery Court

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		54,315	
Social Security		7,635	
Pensions		6,835	
Employee and Dependent Insurance		40,529	
Unemployment Compensation		84	
Employer Medicare		1,786	
Data Processing Services		13,125	
Dues and Memberships		645	
Legal Notices, Recording, and Court Costs		4,262	
Printing, Stationery, and Forms		1,090	
Workers' Compensation Insurance		350	
Data Processing Equipment		4,215	
Total Chancery Court			217,267

Juvenile Court

Assistant(s)	\$	15,548	
Youth Service Officer(s)		31,886	
Social Security		2,667	
Pensions		2,122	
Employee and Dependent Insurance		6,414	
Unemployment Compensation		90	
Employer Medicare		624	
Contracts with Government Agencies		6,206	
Travel		1,434	
Other Supplies and Materials		488	
Workers' Compensation Insurance		200	
Data Processing Equipment		500	
Total Juvenile Court			68,179

Probation Services

Other Contracted Services	\$	43,301	
Total Probation Services			43,301

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	90,636	
Deputy(ies)		771,907	

(Continued)



Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Investigator(s)	\$	167,508	
Salary Supplements		20,000	
Dispatchers/Radio Operators		61,738	
Guards		222	
School Resource Officer		163,002	
Overtime Pay		81,384	
Other Salaries and Wages		102,312	
In-service Training		870	
Social Security		85,418	
Pensions		71,977	
Employee and Dependent Insurance		272,277	
Unemployment Compensation		1,249	
Employer Medicare		19,977	
Communication		537	
Evaluation and Testing		400	
Maintenance Agreements		4,323	
Maintenance and Repair Services - Buildings		188,674	
Maintenance and Repair Services - Equipment		2,000	
Maintenance and Repair Services - Vehicles		38,177	
Printing, Stationery, and Forms		949	
Travel		1,436	
Gasoline		139,761	
Law Enforcement Supplies		32,798	
Office Supplies		1,500	
Tires and Tubes		15,053	
Uniforms		4,913	
Other Supplies and Materials		13,286	
Building and Contents Insurance		20,500	
Liability Insurance		72,500	
Vehicle and Equipment Insurance		24,000	
Workers' Compensation Insurance		33,500	
Data Processing Equipment		2,680	
Total Sheriff's Department			\$ 2,507,464

Correctional Incentive Program Improvements

Supervisor/Director	\$	50,208
Dispatchers/Radio Operators		302,763
Guards		968,447
Maintenance Personnel		40,785
Overtime Pay		231,142
In-service Training		730
Social Security		92,695
Pensions		76,106
Employee and Dependent Insurance		329,028
Unemployment Compensation		2,060
Employer Medicare		21,679
Evaluation and Testing		200

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements (Cont.)

Maintenance Agreements	\$	54,266	
Maintenance and Repair Services - Buildings		23,426	
Maintenance and Repair Services - Equipment		45,026	
Maintenance and Repair Services - Vehicles		200	
Medical and Dental Services		238,219	
Postal Charges		130	
Travel		434	
Other Contracted Services		51,893	
Custodial Supplies		34,753	
Food Supplies		262,484	
Instructional Supplies and Materials		14,536	
Prisoners Clothing		5,200	
Uniforms		82	
Utilities		218,231	
Other Supplies and Materials		30,238	
Workers' Compensation Insurance		43,000	
Furniture and Fixtures		195	
Motor Vehicles		57,360	
Total Correctional Incentive Program Improvements	\$		3,195,516

Civil Defense

Communication	\$	1,762	
Maintenance and Repair Services - Equipment		3,405	
Maintenance and Repair Services - Vehicles		26,390	
Pest Control		405	
Gasoline		5,905	
Office Supplies		192	
Utilities		3,697	
Other Supplies and Materials		2,305	
Building and Contents Insurance		7,500	
Vehicle and Equipment Insurance		8,500	
Communication Equipment		1,124	
Other Equipment		33,249	
Total Civil Defense			94,434

Rescue Squad

In-service Training	\$	2,977	
Data Processing Services		1,795	
Dues and Memberships		300	
Maintenance Agreements		825	
Maintenance and Repair Services - Equipment		11,290	
Maintenance and Repair Services - Vehicles		17,498	
Gasoline		11,051	
Instructional Supplies and Materials		2,970	
Office Supplies		2,041	
Utilities		14,531	
Other Supplies and Materials		20,366	

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

Building and Contents Insurance	\$	7,500	
Vehicle and Equipment Insurance		14,000	
Other Equipment		27,657	
Total Rescue Squad			\$ 134,801

Other Emergency Management

County Official/Administrative Officer	\$	5,281	
Social Security		327	
Employer Medicare		77	
Communication		20,260	
Maintenance and Repair Services - Equipment		2,850	
Maintenance and Repair Services - Vehicles		481	
Gasoline		200	
Other Supplies and Materials		2,208	
Workers' Compensation Insurance		350	
Total Other Emergency Management			32,034

Public Health and Welfare

Local Health Center

Contracts with Government Agencies	\$	44,000	
Other Supplies and Materials		11,587	
Total Local Health Center			55,587

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	900,000	
Total Ambulance/Emergency Medical Services			900,000

Crippled Children Services

Contributions	\$	1,250	
Total Crippled Children Services			1,250

Other Local Health Services

Attendants	\$	11,861	
Social Security		735	
Unemployment Compensation		38	
Employer Medicare		172	
Travel		3,445	
Workers' Compensation Insurance		500	
Total Other Local Health Services			16,751

Sanitation Education/Information

Supervisor/Director	\$	30,309	
Social Security		1,757	
Pensions		1,515	
Employee and Dependent Insurance		6,503	
Unemployment Compensation		42	
Employer Medicare		411	

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Maintenance and Repair Services - Vehicles	\$	1,551	
Gasoline		1,684	
Instructional Supplies and Materials		11,036	
Other Supplies and Materials		1,471	
Workers' Compensation Insurance		400	
Total Sanitation Education/Information	\$		56,679

Other Public Health and Welfare

Assistant(s)	\$	110,923	
Social Security		6,287	
Pensions		5,546	
Employee and Dependent Insurance		26,143	
Unemployment Compensation		213	
Employer Medicare		1,470	
Travel		2,751	
Workers' Compensation Insurance		2,000	
Total Other Public Health and Welfare			155,333

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	7,533	
Other Salaries and Wages		11,005	
Social Security		1,149	
Unemployment Compensation		34	
Employer Medicare		269	
Other Supplies and Materials		709	
Workers' Compensation Insurance		200	
Total Senior Citizens Assistance			20,899

Libraries

Assistant(s)	\$	51,084	
Supervisor/Director		31,702	
In-service Training		490	
Social Security		4,785	
Pensions		1,585	
Employee and Dependent Insurance		17,013	
Unemployment Compensation		282	
Employer Medicare		1,119	
Rentals		9,000	
Travel		3,699	
Custodial Supplies		560	
Instructional Supplies and Materials		7,468	
Library Books/Media		9,257	
Other Supplies and Materials		5,127	
Workers' Compensation Insurance		505	
Data Processing Equipment		1,494	
Total Libraries			145,170

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Other Charges	\$ 6,298	
Total Other Social, Cultural, and Recreational		\$ 6,298

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$ 15,608	
Supervisor/Director	23,600	
Secretary(ies)	7,217	
Social Security	3,562	
Pensions	7,616	
Employee and Dependent Insurance	5,459	
Unemployment Compensation	85	
Dues and Memberships	545	
Travel	1,000	
Other Supplies and Materials	7,861	
Other Charges	2,570	
Total Agricultural Extension Service		75,123

Soil Conservation

Secretary(ies)	\$ 18,105	
Social Security	1,398	
Unemployment Compensation	28	
Dues and Memberships	420	
Instructional Supplies and Materials	747	
Office Supplies	887	
Premiums on Corporate Surety Bonds	200	
Total Soil Conservation		21,785

Other Operations

Other Economic and Community Development

Contracts with Government Agencies	\$ 12,100	
Contracts with Other Public Agencies	7,184	
Total Other Economic and Community Development		19,284

Airport

Maintenance and Repair Services - Equipment	\$ 2,049	
Airport Improvement	80,454	
Total Airport		82,503

Veterans' Services

Supervisor/Director	\$ 26,648	
Social Security	1,652	
Pensions	1,332	
Unemployment Compensation	42	
Employer Medicare	386	
Travel	570	
Office Supplies	527	

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Workers' Compensation Insurance	\$	200	
Data Processing Equipment		449	
Total Veterans' Services			\$ 31,806

Other Charges

Trustee's Commission	\$	137,839	
Total Other Charges			137,839

Contributions to Other Agencies

Remittance of Revenue Collected	\$	90,418	
Total Contributions to Other Agencies			90,418

Total General Fund \$ 10,634,168

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Contracts with Private Agencies	\$	533,000	
Total Sanitation Management			\$ 533,000

Convenience Centers

Supervisor/Director	\$	53,296	
Attendants		80,081	
Social Security		7,508	
Pensions		2,665	
Unemployment Compensation		421	
Employer Medicare		1,756	
Maintenance and Repair Services - Equipment		10,112	
Disposal Fees		6,070	
Other Contracted Services		372	
Total Convenience Centers			162,281

Other Operations

Other Charges

Trustee's Commission	\$	11,562	
Total Other Charges			11,562

Total Solid Waste/Sanitation Fund 706,843

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	12,000	
Pensions		600	
Communication		1,028	
Confidential Drug Enforcement Payments		2,000	
Maintenance Agreements		1,973	

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Travel	\$	3,267	
Animal Food and Supplies		<u>1,535</u>	
Total Drug Enforcement	\$		22,403

Other Operations

Other Charges

Trustee's Commission	\$	<u>743</u>	
Total Other Charges			743

Employee Benefits

Social Security	\$	744	
Employer Medicare		<u>174</u>	
Total Employee Benefits			<u>918</u>

Total Drug Control Fund \$ 24,064

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	<u>410</u>	
Total County Trustee's Office			<u>\$ 410</u>

Total Constitutional Officers - Fees Fund 410

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	90,636	
Accountants/Bookkeepers		38,875	
Clerical Personnel		28,135	
Bonus Payments		1,000	
Social Security		9,443	
Employee and Dependent Insurance		11,642	
Employer Medicare		2,208	
Communication		22,609	
Data Processing Services		18,438	
Dues and Memberships		3,316	
Legal Services		1,800	
Legal Notices, Recording, and Court Costs		592	
Postal Charges		686	
Rentals		30	
Travel		4,805	
Other Contracted Services		9,399	
Drugs and Medical Supplies		350	
Office Supplies		4,852	
Uniforms		4,460	
Other Charges		<u>33</u>	
Total Administration	\$		253,309

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	144,794	
Equipment Operators - Heavy		99,982	
Equipment Operators - Light		107,090	
Truck Drivers		94,958	
Laborers		238,172	
Overtime Pay		28,382	
Bonus Payments		8,000	
Social Security		42,213	
Employee and Dependent Insurance		72,402	
Employer Medicare		9,872	
Contracts with Private Agencies		60,739	
Asphalt - Hot Mix		620,253	
Asphalt - Liquid		58,367	
Concrete		700	
Crushed Stone		150,193	
Food Supplies		2,112	
Pipe		35,036	
Road Signs		8,972	
Wood Products		376	
Other Supplies and Materials		195	
Total Highway and Bridge Maintenance			\$ 1,782,808

Operation and Maintenance of Equipment

Mechanic(s)	\$	2,878	
Laborers		16,649	
Overtime Pay		662	
Social Security		1,242	
Employee and Dependent Insurance		547	
Employer Medicare		290	
Maintenance and Repair Services - Equipment		64,290	
Rentals		3,927	
Diesel Fuel		227,511	
Equipment and Machinery Parts		105,908	
Garage Supplies		21,718	
Gasoline		167,831	
Lubricants		3,374	
Small Tools		6,360	
Tires and Tubes		14,683	
Total Operation and Maintenance of Equipment			637,870

Other Charges

Electricity	\$	7,130	
Water and Sewer		1,729	
Trustee's Commission		23,878	
Vehicle and Equipment Insurance		59,558	
Total Other Charges			92,295

(Continued)



Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Pensions	\$ 44,145	
Employee and Dependent Insurance	94,888	
Workers' Compensation Insurance	<u>86,632</u>	
Total Employee Benefits		\$ 225,665

Capital Outlay

Building Improvements	\$ 8,925	
Highway Equipment	131,597	
Motor Vehicles	279,363	
Other Construction	<u>194,537</u>	
Total Capital Outlay		<u>614,422</u>

Total Highway/Public Works Fund \$ 3,606,369

General Debt Service Fund

Principal on Debt

General Government

Principal on Other Loans	\$ 554,750	
Total General Government		\$ 554,750

Highways and Streets

Principal on Notes	\$ 140,000	
Total Highways and Streets		140,000

Education

Principal on Other Loans	\$ 1,394,331	
Total Education		1,394,331

Interest on Debt

General Government

Interest on Other Loans	\$ 62,958	
Total General Government		62,958

Highways and Streets

Interest on Notes	\$ 13,614	
Total Highways and Streets		13,614

Education

Interest on Other Loans	\$ 159,416	
Total Education		159,416

Other Debt Service

General Government

Trustee's Commission	\$ 22,752	
Other Debt Service	<u>6,405</u>	
Total General Government		29,157

(Continued)

Exhibit J-7

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service (Cont.)</u>			
<u>Education</u>			
Other Debt Service	\$	5,815	
Total Education			\$ 5,815
Total General Debt Service Fund			\$ 2,360,041
<u>General Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Airport</u>			
Airport Improvement	\$	12,283	
Total Airport			\$ 12,283
<u>Other Charges</u>			
Trustee's Commission	\$	120	
Total Other Charges			120
Total General Capital Projects Fund			12,403
<u>Education Capital Projects Fund</u>			
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$	213,000	
Total Capital Projects Donated to School Department			\$ 213,000
Total Education Capital Projects Fund			213,000
<u>Other Capital Projects- Law Enforcement Vehicles Fund</u>			
<u>Public Safety</u>			
<u>Sheriff's Department</u>			
Motor Vehicles	\$	166,925	
Total Sheriff's Department			\$ 166,925
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	924	
Total Other Charges			924
Total Other Capital Projects- Law Enforcement Vehicles Fund			167,849
Total Governmental Funds - Primary Government			<u>\$ 17,725,147</u>

Exhibit J-8

Polk County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Polk County School Department  
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 6,280,895	
Career Ladder Program	9,000	
Homebound Teachers	6,168	
Educational Assistants	115,366	
Bonus Payments	23,250	
Other Salaries and Wages	256,103	
Non-certified Substitute Teachers	120,325	
Social Security	391,360	
Pensions	495,917	
Life Insurance	2,537	
Medical Insurance	985,685	
Dental Insurance	49,846	
Unemployment Compensation	306	
Employer Medicare	92,082	
Retirement - Hybrid Stabilization	41,709	
Other Fringe Benefits	12,600	
Instructional Supplies and Materials	52,400	
Textbooks - Electronic	79,066	
Textbooks - Bound	34,285	
Other Supplies and Materials	156	
Other Charges	4,820	
Total Regular Instruction Program	\$ 9,053,876	

Alternative Instruction Program

Teachers	\$ 61,759	
Educational Assistants	16,735	
Other Salaries and Wages	2,940	
Non-certified Substitute Teachers	675	
Social Security	4,782	
Pensions	3,583	
Life Insurance	36	
Medical Insurance	14,384	
Dental Insurance	682	
Employer Medicare	1,165	
Retirement - Hybrid Stabilization	2,470	
Instructional Supplies and Materials	200	
Other Supplies and Materials	507	
Total Alternative Instruction Program	109,918	

Special Education Program

Teachers	\$ 619,769
Career Ladder Program	1,000
Homebound Teachers	6,491
Educational Assistants	95,522
Bonus Payments	2,000
Other Salaries and Wages	584

(Continued)

Exhibit J-8

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 (Cont.)

Non-certified Substitute Teachers	\$	9,862	
Social Security		42,592	
Pensions		50,914	
Life Insurance		336	
Medical Insurance		105,933	
Dental Insurance		5,185	
Employer Medicare		9,967	
Retirement - Hybrid Stabilization		8,871	
Instructional Supplies and Materials		1,800	
Total Special Education Program	\$		960,826

Career and Technical Education Program

Teachers	\$	663,239	
Career Ladder Program		2,000	
Guidance Personnel		30,659	
Bonus Payments		7,250	
Other Salaries and Wages		86,218	
Non-certified Substitute Teachers		18,375	
Social Security		45,317	
Pensions		55,241	
Life Insurance		264	
Medical Insurance		111,260	
Dental Insurance		5,685	
Employer Medicare		10,627	
Retirement - Hybrid Stabilization		13,807	
Maintenance and Repair Services - Buildings		9,650	
Tuition		8,382	
Other Contracted Services		3,914	
Instructional Supplies and Materials		16,115	
Other Supplies and Materials		12,322	
Vocational Instruction Equipment		203,557	
Total Career and Technical Education Program			1,303,882

Support Services

Attendance

Supervisor/Director	\$	49,302	
Career Ladder Program		500	
Social Security		250	
Employer Medicare		717	
Travel		1,032	
In Service/Staff Development		2,609	
Total Attendance			54,410

Health Services

Supervisor/Director	\$	54,120	
Medical Personnel		95,741	

(Continued)

Exhibit J-8

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.)

Health Services (Cont.)

Clerical Personnel	\$	18,252	
Other Salaries and Wages		1,425	
Social Security		6,009	
Pensions		5,687	
Life Insurance		108	
Medical Insurance		35,202	
Employer Medicare		2,190	
Travel		4,207	
Other Contracted Services		459	
Other Supplies and Materials		14,077	
In Service/Staff Development		1,895	
Other Equipment		3,196	
Total Health Services	\$		242,568

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		252,617	
Bonus Payments		1,500	
Other Salaries and Wages		119,237	
Non-certified Substitute Teachers		450	
Social Security		22,029	
Pensions		28,355	
Life Insurance		118	
Medical Insurance		39,385	
Dental Insurance		2,491	
Employer Medicare		5,152	
Retirement - Hybrid Stabilization		3,477	
Other Fringe Benefits		20,857	
Contracts with Government Agencies		110,000	
Evaluation and Testing		14,398	
Travel		920	
Other Contracted Services		18,889	
Other Supplies and Materials		59,965	
In Service/Staff Development		27,896	
Other Charges		19,779	
Regular Instruction Equipment		55,918	
Other Equipment		3,909	
Total Other Student Support			808,342

Regular Instruction Program

Supervisor/Director	\$	266,890
Career Ladder Program		2,000
Librarians		165,422
Other Salaries and Wages		4,000
Non-certified Substitute Teachers		2,288
Social Security		24,930

(Continued)

Exhibit J-8

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.)

Regular Instruction Program (Cont.)

Pensions	\$	41,090	
Life Insurance		192	
Medical Insurance		73,362	
Dental Insurance		2,274	
Employer Medicare		5,830	
Retirement - Hybrid Stabilization		2,184	
Travel		9,176	
Other Supplies and Materials		800	
In Service/Staff Development		2,092	
Other Charges		15,683	
Total Regular Instruction Program			\$ 618,213

Special Education Program

Supervisor/Director	\$	42,519	
Career Ladder Program		500	
Psychological Personnel		76,862	
Other Salaries and Wages		53,012	
Social Security		9,338	
Pensions		13,425	
Life Insurance		55	
Medical Insurance		16,035	
Dental Insurance		1,137	
Employer Medicare		2,191	
Travel		2,786	
Other Contracted Services		1,840	
In Service/Staff Development		870	
Total Special Education Program			220,570

Career and Technical Education Program

Supervisor/Director	\$	44,247	
Other Salaries and Wages		6,000	
Social Security		2,894	
Pensions		4,145	
Life Insurance		12	
Medical Insurance		4,475	
Dental Insurance		227	
Employer Medicare		677	
Total Career and Technical Education Program			62,677

Technology

Computer Programmer(s)	\$	55,432	
Instructional Computer Personnel		33,095	
Social Security		4,632	
Pensions		5,648	
Life Insurance		36	
Medical Insurance		18,872	

(Continued)

Exhibit J-8

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.)

Technology (Cont.)

Dental Insurance	\$	682	
Employer Medicare		1,083	
Internet Connectivity		44,309	
Other Contracted Services		16,335	
Software		12,899	
Other Supplies and Materials		46,399	
Other Equipment		38,655	
Total Technology			\$ 278,077

Other Programs

On-behalf Payments to OPEB	\$	58,996	
Total Other Programs			58,996

Board of Education

Secretary to Board	\$	1,100	
Board and Committee Members Fees		13,892	
Social Security		961	
Pensions		55	
Employer Medicare		225	
Other Fringe Benefits		44,674	
Audit Services		17,438	
Bank Charges		1,231	
Dues and Memberships		11,097	
Legal Services		18,625	
Travel		539	
Liability Insurance		57,437	
Premiums on Corporate Surety Bonds		2,343	
Trustee's Commission		91,883	
Workers' Compensation Insurance		156,933	
Criminal Investigation of Applicants - TBI		40	
Other Charges		928	
Total Board of Education			419,401

Director of Schools

County Official/Administrative Officer	\$	113,217	
Career Ladder Program		600	
Secretary(ies)		28,353	
Other Salaries and Wages		4,717	
Social Security		9,240	
Pensions		12,500	
Life Insurance		48	
Medical Insurance		15,468	
Dental Insurance		455	
Employer Medicare		2,161	
Other Fringe Benefits		9,000	
Communication		110,117	

(Continued)

Exhibit J-8

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.)

Postal Charges	\$	3,273	
Travel		1,654	
Other Contracted Services		19,658	
Other Supplies and Materials		2,196	
In Service/Staff Development		1,184	
Total Director of Schools			\$ 333,841

Office of the Principal

Principals	\$	580,241	
Accountants/Bookkeepers		123,953	
Assistant Principals		151,194	
Clerical Personnel		109,174	
Bonus Payments		1,500	
Other Salaries and Wages		3,039	
Social Security		57,220	
Pensions		69,507	
Life Insurance		504	
Medical Insurance		166,138	
Dental Insurance		4,093	
Employer Medicare		13,416	
Retirement - Hybrid Stabilization		3,059	
Travel		6,548	
Other Contracted Services		2,400	
Total Office of the Principal			1,291,986

Fiscal Services

Supervisor/Director	\$	54,984	
Clerical Personnel		80,053	
Social Security		7,160	
Pensions		6,752	
Life Insurance		72	
Medical Insurance		24,012	
Employer Medicare		1,675	
Data Processing Services		33,985	
Office Supplies		4,018	
Total Fiscal Services			212,711

Operation of Plant

Supervisor/Director	\$	35,981	
Custodial Personnel		350,155	
Other Salaries and Wages		7,749	
Social Security		21,963	
Pensions		13,301	
Life Insurance		374	
Medical Insurance		118,641	
Employer Medicare		5,660	

(Continued)



Exhibit J-8

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 (Cont.)

Other Contracted Services	\$	129,521	
Custodial Supplies		40,569	
Electricity		552,066	
Fuel Oil		57,766	
Natural Gas		708	
Water and Sewer		117,970	
Other Supplies and Materials		65,913	
Boiler Insurance		3,124	
Building and Contents Insurance		140,583	
Plant Operation Equipment		8,110	
Total Operation of Plant			\$ 1,670,154

Maintenance of Plant

Maintenance Personnel	\$	135,618	
Social Security		8,251	
Pensions		6,781	
Life Insurance		92	
Medical Insurance		38,400	
Employer Medicare		1,930	
Other Contracted Services		1,391	
Administration Equipment		25,885	
Total Maintenance of Plant			218,348

Transportation

Supervisor/Director	\$	22,773	
Mechanic(s)		71,961	
Bus Drivers		474,311	
Other Salaries and Wages		87,339	
In-service Training		2,928	
Social Security		40,084	
Pensions		32,849	
Life Insurance		204	
Medical Insurance		31,540	
Employer Medicare		9,532	
Retirement - Hybrid Stabilization		1,811	
Medical and Dental Services		5,228	
Other Contracted Services		12,306	
Diesel Fuel		162,450	
Gasoline		11,389	
Tires and Tubes		15,256	
Vehicle Parts		117,874	
Other Supplies and Materials		2,982	
Vehicle and Equipment Insurance		30,276	
In Service/Staff Development		165	
Other Charges		5,142	
Debt Service Contribution to Primary Government		226,596	
Transportation Equipment		213,000	
Total Transportation			1,577,996

(Continued)

Exhibit J-8

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

Food Service

Supervisor/Director	\$	48,490	
Clerical Personnel		34,677	
Cafeteria Personnel		13,112	
Social Security		5,799	
Pensions		4,158	
Life Insurance		48	
Medical Insurance		15,468	
Employer Medicare		1,356	
Total Food Service			\$ 123,108

Community Services

Supervisor/Director	\$	14,700	
Clerical Personnel		3,000	
Other Salaries and Wages		317,185	
Social Security		18,944	
Pensions		15,968	
Dental Insurance		455	
Employer Medicare		4,843	
Retirement - Hybrid Stabilization		493	
Travel		1,215	
Instructional Supplies and Materials		5,502	
Other Supplies and Materials		8,533	
In Service/Staff Development		600	
Other Charges		3,923	
Total Community Services			395,361

Early Childhood Education

Teachers	\$	292,643	
Educational Assistants		108,592	
Other Salaries and Wages		9,500	
Non-certified Substitute Teachers		13,725	
Social Security		23,671	
Pensions		26,787	
Life Insurance		288	
Medical Insurance		91,554	
Dental Insurance		2,683	
Employer Medicare		5,579	
Retirement - Hybrid Stabilization		3,502	
Travel		235	
Instructional Supplies and Materials		16,250	
In Service/Staff Development		572	
Other Charges		1,430	
Total Early Childhood Education			597,011

(Continued)

Exhibit J-8

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

Regular Capital Outlay

Architects	\$	17,300	
Other Supplies and Materials		696	
Other Charges		78,262	
Total Regular Capital Outlay			\$ 96,258

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	650,000	
Total Education			650,000

Total General Purpose School Fund \$ 21,358,530

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	747,002	
Clerical Personnel		2,000	
Educational Assistants		144,595	
Part-time Personnel		10,690	
Bonus Payments		9,000	
Other Salaries and Wages		103,154	
Non-certified Substitute Teachers		17,888	
Social Security		60,928	
Pensions		67,115	
Life Insurance		490	
Medical Insurance		147,068	
Dental Insurance		4,583	
Employer Medicare		14,256	
Retirement - Hybrid Stabilization		7,109	
Tuition		7,891	
Other Contracted Services		73,518	
Instructional Supplies and Materials		110,603	
Textbooks - Electronic		97,348	
Textbooks - Bound		117,179	
Other Charges		30,831	
Regular Instruction Equipment		65,377	
Total Regular Instruction Program			\$ 1,838,625

Special Education Program

Teachers	\$	172,086
Educational Assistants		297,646
Non-certified Substitute Teachers		12,210
Social Security		29,041
Pensions		24,873
Life Insurance		410
Medical Insurance		137,838

(Continued)

Exhibit J-8

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.)

Dental Insurance	\$	637	
Employer Medicare		6,795	
Retirement - Hybrid Stabilization		3,026	
Contracts with Private Agencies		159,142	
Maintenance and Repair Services - Equipment		478	
Instructional Supplies and Materials		12,619	
Other Supplies and Materials		5,105	
Special Education Equipment		4,614	
Total Special Education Program			\$ 866,520

Career and Technical Education Program

Teachers	\$	40,900	
Non-certified Substitute Teachers		750	
Social Security		2,396	
Pensions		3,083	
Life Insurance		10	
Medical Insurance		3,704	
Dental Insurance		182	
Employer Medicare		566	
Instructional Supplies and Materials		10,553	
Other Supplies and Materials		12,452	
Vocational Instruction Equipment		404,064	
Total Career and Technical Education Program			478,660

Support Services

Health Services

Medical Personnel	\$	15,600	
Social Security		791	
Pensions		780	
Life Insurance		12	
Medical Insurance		4,034	
Employer Medicare		185	
Total Health Services			21,402

Other Student Support

Guidance Personnel	\$	93,262	
Social Workers		61,491	
Other Salaries and Wages		32,394	
Social Security		11,093	
Pensions		12,777	
Life Insurance		36	
Medical Insurance		30,998	
Dental Insurance		1,182	
Employer Medicare		2,594	
Retirement - Hybrid Stabilization		2,847	
Travel		8,635	

(Continued)

Exhibit J-8

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.)

Other Student Support (Cont.)

Other Contracted Services	\$	8,802	
Other Supplies and Materials		9,953	
In Service/Staff Development		63,194	
Other Charges		139	
Other Equipment		973	
Total Other Student Support			\$ 340,370

Regular Instruction Program

Supervisor/Director	\$	90,038	
Librarians		38,544	
Other Salaries and Wages		6,600	
Social Security		4,962	
Pensions		7,787	
Life Insurance		24	
Medical Insurance		12,561	
Dental Insurance		455	
Employer Medicare		1,719	
Travel		440	
Other Contracted Services		170,675	
Other Supplies and Materials		21,320	
In Service/Staff Development		14,518	
Total Regular Instruction Program			369,643

Special Education Program

Psychological Personnel	\$	38,084	
Employer Medicare		552	
Travel		7,471	
Other Supplies and Materials		999	
In Service/Staff Development		7,387	
Other Equipment		61,070	
Total Special Education Program			115,563

Career and Technical Education Program

In Service/Staff Development	\$	5,203	
Total Career and Technical Education Program			5,203

Technology

Instructional Computer Personnel	\$	103,566	
Bonus Payments		6,000	
Social Security		6,339	
Pensions		9,458	
Life Insurance		28	
Medical Insurance		9,048	
Dental Insurance		392	
Employer Medicare		1,483	
Software		4,104	
In Service/Staff Development		2,138	
Total Technology			142,556

(Continued)

Exhibit J-8

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.)

Director of Schools

Bonus Payments	\$	12,000	
Social Security		744	
Pensions		600	
Employer Medicare		174	
Total Director of Schools			\$ 13,518

Operation of Plant

Custodial Personnel	\$	17,163	
Social Security		1,025	
Pensions		858	
Life Insurance		17	
Medical Insurance		8,036	
Employer Medicare		240	
Custodial Supplies		14,743	
Total Operation of Plant			42,082

Transportation

Bus Drivers	\$	59,500	
Social Security		2,626	
Pensions		1,835	
Life Insurance		34	
Employer Medicare		861	
Total Transportation			64,856

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	14,968	
Total Food Service			14,968

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	193,648	
Total Regular Capital Outlay			193,648

Total School Federal Projects Fund \$ 4,507,614

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	415,578	
Other Salaries and Wages		3,135	
Social Security		23,990	
Pensions		20,268	
Life Insurance		589	
Medical Insurance		182,500	
Unemployment Compensation		660	

(Continued)

Exhibit J-8

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.)

Employer Medicare	\$	5,611	
Maintenance and Repair Services - Equipment		58,244	
Other Contracted Services		16,377	
Food Supplies		860,140	
USDA - Commodities		134,849	
Other Supplies and Materials		99,208	
In Service/Staff Development		3,476	
Other Charges		838	
Food Service Equipment		4,051	
Total Food Service			\$ 1,829,514

Total Central Cafeteria Fund \$ 1,829,514

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	755,894	
Total Community Services			\$ 755,894

Total Internal School Fund 755,894

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	2,536	
Total Board of Education			\$ 2,536

Total Education Capital Projects Fund 2,536

Total Governmental Funds - Polk County School Department \$ 28,454,088

# SINGLE AUDIT SECTION





JASON E. MUMPOWER  
*Comptroller*

**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***

Independent Auditor's Report

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, 2023, 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 February 28, 2024. 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: 2023-002 and 2023-004.

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: 2023-003, 2023-005(B), 2023-006, 2023-008, 2023-010, and 2023-011.

## **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: 2023-001, 2023-005(A), 2003-007, and 2023-009.

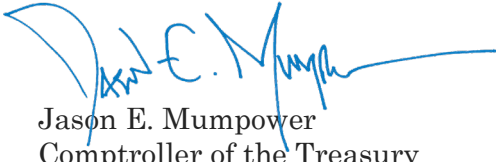
## **Polk County's Responses to Findings**

*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

February 28, 2024

JEM/gc



JASON E. MUMPOWER  
*Comptroller*

**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**

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 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, 2023. 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, 2023.

***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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.

### ***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 GAAS, *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 that 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 GAAS, *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, 2023, and the related notes to the financial statements, which collectively comprise Polk County's basic financial statements. We issued our report thereon dated February 28, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

February 28, 2024

JEM/gc

Polk County, Tennessee, and the Polk County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)  
For the Year-Ended June 30, 2023

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	\$ 370,906
National School Lunch Program	10.555	(4)	1,033,262 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	(4)	3,135
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(4)	134,849 (6)
Rebate of Storage and Distribution Fees	10.555	(4)	2,522 (6)
Total U.S. Department of Agriculture			<u>\$ 1,544,674</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 217,759
Total U.S. Department of the Interior			<u>\$ 217,759</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(4)	\$ 110,371 (6)
COVID 19 - Airport Improvement Program	20.106	(4)	13,546 (6)
Highway Planning and Construction	20.205	(4)	6,287
Total U.S. Department of Transportation			<u>\$ 130,204</u>
U.S. Department of the Treasury:			
Direct Program:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	\$ 6,075
Total U.S. Department of the Treasury			<u>\$ 6,075</u>
Federal Communications Commission:			
Direct Program:			
COVID 19 - Emergency Connectivity Fund Program	32.009	N/A	\$ 28,688
Total Federal Communications Commission			<u>\$ 28,688</u>
U.S. National Foundation on the Arts and the Humanities:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	LS-252485-OLS-22	\$ 356
Total U.S. National Foundation on the Arts and the Humanities			<u>\$ 356</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 626,505
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	559,520 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027	(4)	89,828 (6)
Special Education - Preschool Grants	84.173	(4)	10,452 (6)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	(4)	1,514 (6)
Career and Technical Education - Basic Grants to States	84.048	(4)	49,550
Twenty-first Century Community Learning Centers	84.287	(4)	309,368
Rural Education	84.358	(4)	59,501
English Language Acquisition State Grants	84.365	(4)	375
Supporting Effective Instruction State Grants	84.367	(4)	102,011
Student Support and Academic Enrichment Program	84.424	(4)	39,678
COVID 19 - Education Stabilization Fund - Governor's Emergency			
Education Relief Fund - Early Literacy Network (ESSER II)	84.425C	(4)	40,000 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	(4)	696,915 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	(4)	2,180,731 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	(4)	16,008 (6)
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	35,650
Passed-through Tennessee Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(4)	137,491
Total U.S. Department of Education			<u>\$ 4,955,097</u>

(Continued)



Polk County, Tennessee, and the Polk County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	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)	\$ 15,115
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	(4)	8,995
Passed-through State Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	(4)	35,026
Temporary Assistance for Needy Families	93.558	(4)	50,724
Total U.S. Department of Health and Human Services			<u>\$ 109,860</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(8)	\$ 17,859
Total U.S. Department of Homeland Security			<u>\$ 17,859</u>
Total Expenditures of Federal Grants			<u>\$ 7,010,572</u>

State Grants		Contract Number	
Juvenile Services Program - State Commission on Children and Youth	N/A	(4)	\$ 9,000
Coordinated School Health - State Department of Education	N/A	(4)	100,000
CTE Middle School STEM Start Up - State Department of Education	N/A	(4)	10,000
Family Resource Centers - State Department of Education	N/A	(4)	29,458
Innovative School Models - State Department of Education	N/A	(4)	396,331
Lottery for Education After School Programs - State Department of Education	N/A	(4)	59,045
Safe Schools - State Department of Education	N/A	(4)	52,776
Summer Learning Camps - State Department of Education	N/A	(4)	140,469
Summer Learning Transportation - State Department of Education	N/A	(4)	32,761
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(4)	510,745
Youth Risk Behavior Surveillance Systems - State Department of Education	N/A	(4)	500
Evidence Based Programming - State Department of Finance and Administration	N/A	(4)	151,792
Child Safety Seat Grant - State Department of Health	N/A	(4)	2,251
Local Health Services - State Department of Health	N/A	(4)	155,335
Airport Maintenance Grant - State Department of Transportation	N/A	(4)	15,412
Litter Program - State Department of Transportation	N/A	(4)	50,308
Training Opportunities for the Public (TOP) Grant - State Secretary of State	N/A	(4)	5,249
Supporting Postsecondary Access in Rural Communities - Tennessee Higher Education Commission	N/A	(4)	95,158
Total State Grants			<u>\$ 1,816,590</u>

FAL = Federal Assistance Listing  
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 minimus cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$1,541,539; Special Education Cluster total \$661,314; Aging Cluster total \$24,110.
- (6) Total for FAL No. 10.555 is \$1,170,633; Total for FAL No. 20.106 is \$123,917; Total for FAL No. 84.027 is \$649,348; Total for FAL No. 84.173 is \$11,966; Total for FAL No. 84.425 is \$2,933,654.
- (7) CONSOLIDATED ADMINISTRATION

Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Education Agencies	84.010	\$ 108,704
Rural Education	84.358	1,560
Supporting Effective Instruction State Grants	84.367	7829
Student Support and Academic Enrichment Program	84.424	797
		<u>\$ 118,890</u>

(8) Total for pass-through ID 34101-27321 is \$8,670; Total for pass-through ID 34101-22622 is \$9,189.

Polk County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2023

*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, 2023.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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**OFFICES OF COUNTY EXECUTIVE, DIRECTOR OF ACCOUNTS AND BUDGETS, AND HIGHWAY SUPERINTENDENT**

2022	199	2022-001	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
2022	199	2022-002	Polk County has a material recurring audit finding.	N/A	Not Corrected - See Explanation on Corrective Action Plan

**OFFICES OF DIRECTOR OF ACCOUNTS AND BUDGETS AND DIRECTOR OF SCHOOLS**

2022	200	2022-003	Funds maintained by the county and school department required material audit adjustments for proper financial statement presentation.	N/A	Office of Director of Accounts and Budgets - Corrected; Director of Schools - Not Corrected - See Explanation on Corrective Action Plan
2022	201	2022-004	The offices had deficiencies in the issuance of purchase orders.	N/A	Office of Director of Accounts and Budgets - Corrected Director of Schools - Not Corrected - See Explanation on Corrective Action Plan

**OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

2022	202	2022-005	The office had deficiencies in budget operations.	N/A	Corrected
2022	203	2022-006	General ledger payroll liability accounts were not reconciled.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	203	2022-007	Payroll tax deposits to the Internal Revenue Service were not properly reported resulting in the assessment of interest and penalties totaling \$3,938.	N/A	Corrected

(Continued)

Polk County, Tennessee  
Summary Schedule of Prior-year Findings (Cont.)

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<b><u>OFFICE OF DIRECTOR OF SCHOOLS</u></b>					
2022	204	2022-008	The office had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	206	2022-009	The office had accounting deficiencies.	N/A	Not Corrected - See Explanation on Corrective Action Plan
<b><u>OFFICE OF TRUSTEE</u></b>					
2022	207	2022-010	Revenues were not prorated accurately.	N/A	Corrected
<b><u>OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK</u></b>					
2022	208	2022-011	The office used a signature stamp to sign checks.	N/A	Corrected
2022	208	2022-012	Operations of the Circuit and General Sessions Courts Clerk are currently under investigation.	N/A	Completed - Report Issued
2022	208	2022-013	The office did not review a list of voided transactions.	N/A	Corrected
<b><u>OFFICE OF SHERIFF</u></b>					
2022	209	2022-014	Commissary bank statements were not reconciled properly with the general ledger.	N/A	Not Corrected - See Explanation on Corrective Action Plan

***Prior-year Federal Award Findings***

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

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**POLK COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2023**

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**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 Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

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

#### **FINDING 2023-001**

#### **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 finding 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**

I concur with this finding.

#### **MANAGEMENT'S RESPONSE – HIGHWAY SUPERINTENDENT**

I concur with this finding. See Management's Corrective Action Plan for comments.

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FINDING 2023-002

**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:

<u>Finding Numbers</u>	<u>Description</u>
2023-001, 2022-001, 2021-001	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

I concur with this finding.

MANAGEMENT’S RESPONSE – HIGHWAY SUPERINTENDENT

I concur with this finding. See Management’s Corrective Action Plan for comments.

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OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2023-003

**GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED**

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

General ledger payroll liability accounts for the General, Solid Waste/Sanitation, and Drug Control funds 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, management's failure to correct the finding noted in the prior-year audit report, and management's failure 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 ACCOUNTS AND BUDGETS**

I concur with this finding.

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**OFFICES OF HIGHWAY SUPERINTENDENT AND DIRECTOR OF SCHOOLS**

**FINDING 2023-004**

**FUNDS MAINTAINED BY THE HIGHWAY DEPARTMENT AND SCHOOL DEPARTMENT REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**  
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2023, certain general ledger account balances in the highway department's Highway/Public Works Fund and the school department's Education Capital Projects Fund were not materially correct, and audit adjustments for receivables totaling \$209,648 and \$201,449, respectively, were required for the financial statements to be materially correct at year-end. 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. This deficiency is the result of a lack of management oversight for the highway department. 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 for the school department. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

**RECOMMENDATION**

Polk County Highway Department and the Polk County 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.

## MANAGEMENT’S RESPONSE – HIGHWAY SUPERINTENDENT

I concur with this finding. While completing month end and year end, the Flexgen software created several obstacles where the year end process had to be restarted multiple times to close out the month and the fiscal year successfully. We worked diligently with support staff at Local Government Corporation, identified glitches caused by using outdated software, and purchased the most recent version of Nextgen, thus eliminating the issue that we believe was the root of this finding. I agree that all parties did their due diligence with regard to the audit of our department. However, this finding was created from the software issues which did not prevent, detect, or correct potential misstatements in the accounting records. Once the recommended audit adjustment was presented to management, it was approved and posted properly with a manual journal entry as outlined by generally accepted accounting principles. It is neither a material weakness in internal controls nor a lack of management oversight as it has not been a recurring finding and has not happened since 2019 under similar circumstances.

## AUDITOR’S COMMENT

The software issues experienced by the department during the year were not the cause of this finding. At year end, highway department personnel posted receivables to the accounting records that were understated by a material amount, and the internal controls, including management oversight of the records, did not detect this error.

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## OFFICE OF DIRECTOR OF SCHOOLS

### FINDING 2023-005

### **ACCOUNTING RECORDS FOR THE YEAR ENDED JUNE 30, 2023, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2023, 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.

- A. Accounting records were not closed and available for audit by August 31, 2023, as required by Section 9-2-102, *Tennessee Code Annotated*. The accounting records were closed and made available to auditors on November 6, 2023, and the subsidiary capital asset records were made available on February 5, 2024. 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 February 2024, we noted that that cash with trustee had not been reconciled and monthly accounting records had not been closed since August 2023.

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 2023-006

### **THE OFFICE HAD DEFICIENCIES IN THE ISSUANCE OF PURCHASE ORDERS**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected and reviewed a sample of 51 disbursements totaling \$117,928 from a population of approximately 2,478 vendor checks totaling \$8,317,906. Our sampling revealed that in 14 of 33 applicable instances, purchase orders were not issued properly. In nine instances, a purchase order was not issued, and in five instances, purchase orders were issued after purchases were made. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to issue purchase orders increases the risks of unauthorized purchases. The practice of issuing purchase orders after the purchases are made defeats the purpose of issuing a purchase order and makes it an approval of payment rather than an approval of the purchase. 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.

## RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made.

## MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

### FINDING 2023-007

### **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 finding noted in the prior year audit report and failed to implement their corrective action plan.

- A. Expenditures exceeded appropriations approved by the county commission in the General Purpose School Fund and the Central Cafeteria Fund by \$49,360 and \$368,725 respectively.
- B. Salaries exceeded appropriations in 28 of 82 salary line-items of the General Purpose School Fund, in five of 25 salary line-items of the School Federal Projects Fund, and in two of two salary line-items of the Central Cafeteria Fund by amounts ranging from \$39 to \$86,218. 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 were posted in the General Purpose School, School Federal Projects, and Central Cafeteria funds that were not approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized only those budget amendments approved by the county commission in the financial statements of this report.

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 only after approval by the county commission.

## MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

### FINDING 2023-008

### **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 finding noted in the prior year audit report and failed to implement their corrective action plan.

- A. We observed 492 general journal entries that were posted to the accounting records for the General Purpose School Fund. Included in these entries were 8 general journal entries that were posted to correct previous journal entries. 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. Our audit revealed deficiencies related to the administration and maintenance of the fund accounting records. Interfund receivable and payable account balances in various school department funds were not reconciled. As a result, at June 30, 2023, a net difference of \$125,198 existed between the various interfund receivables (\$109,574) and payables (\$234,772) in the school department funds. These differences were the result of various posting errors related to the reimbursement of expenditures between the various funds. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

The failure to maintain 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.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with this finding.

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OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 2023-009

**AN INVESTIGATION OF THE POLK COUNTY CIRCUIT COURT CLERK REVEALED SEVERAL DEFICIENCIES.**  
(Noncompliance Under *Government Auditing Standards*)

On September 12, 2023, the Comptroller’s Division of Investigations issued an investigative report on the Polk County Circuit Court Clerk. This report disclosed that employees received wages and county-paid benefits totaling at least \$123,065.66 for time not worked, an employee of the clerk’s office was improperly credited with 48 hours of compensatory time on her official date of hire, and employees received 108.92 unearned services credits with the Tennessee Consolidated Retirement System by improperly reporting their employment status as full-time. The report also disclosed that a signature stamp belonging to the Polk County General Sessions Judge was improperly used without the judge’s knowledge or approval. This report is available at [www.comptroller.tn.gov/ia](http://www.comptroller.tn.gov/ia).

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FINDING 2023-010

**INVESTMENT TRANSACTIONS WERE NOT POSTED TO THE GENERAL LEDGER**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

During the year examined, the circuit court clerk did not post short-term investment account activity to the general ledger and did not attempt to reconcile the bank statement balances of these short-term investment accounts with general ledger totals. Sound business practices dictate that accounting records accurately reflect all investment account and bank statement activities. As a result of not properly posting the activity of these accounts, the general ledger short-term investment account reflected on the accounting records was overstated by \$2,050 at June 30, 2023. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Short-term investment account activity should be posted properly to the general ledger. Also, bank statements for these short-term investment accounts should be reconciled with the general ledger monthly, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

I concur with this finding. See Management's Corrective Action Plan for comments.

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OFFICE OF SHERIFF

FINDING 2023-011

**COMMISSARY BANK STATEMENTS WERE NOT RECONCILED PROPERLY WITH THE GENERAL LEDGER**

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

Monthly bank statements for the commissary were not reconciled properly with the general ledger. Sound business practices require the monthly reconciliation of bank statements with general ledger accounts to ensure all collections and disbursements are recorded in the accounting records accurately. The failure to reconcile bank statements with the general ledger monthly allows errors to remain undiscovered and uncorrected. 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.

RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any discrepancies discovered should be investigated and corrected promptly.

MANAGEMENT'S RESPONSE – SHERIFF

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, 2023.

**Polk County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2023**

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICES OF COUNTY EXECUTIVE**

2023-001	The director of accounts and budgets did not maintain the accounting records for the highway department.	209
2023-002	Polk County has a material recurring audit finding.	209
2023-003	General ledger payroll liability accounts were not reconciled.	210

**AUDITOR'S COMMENTS ON CORRECTIVE ACTION PLAN**

2023-001	The director of accounts and budgets did not maintain the accounting records for the highway department.	211
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**OFFICE OF HIGHWAY SUPERINTENDENT**

2023-001	The director of accounts and budgets did not maintain the accounting records for the highway department.	212
2023-002	Polk County has a material recurring audit finding.	213
2023-004	Funds maintained by the highway department required material audit adjustments for proper financial statement presentation.	214

**OFFICE OF DIRECTOR OF SCHOOLS**

2023-004	Funds maintained by the school department required material audit adjustments for proper financial statement presentation.	215
2023-005	Accounting records for the year ended June 30, 2023, were not closed and available for audit by August 31, 2023, and accounting records for the school department were not maintained on a timely basis.	215
2023-006	The office had deficiencies in the issuance of purchase orders.	216
2023-007	The office had deficiencies in budget operations.	216
2023-008	The office had accounting deficiencies.	217

(Continued)

**Polk County, Tennessee**  
**Management's Corrective Action Plan (Cont.)**

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

2023-010	Investment transactions were not posted to the general ledger.	218
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**OFFICE OF SHERIFF**

2023-011	Commissary bank statements were not reconciled properly with the general ledger.	219
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# Robert M. Hatcher County Executive

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## Corrective Action Plan

FINDING: 2023-001      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 & Budgets

Person Responsible for Implementing the Corrective Action:  
Polk County Commission

Anticipated Completion Date of Corrective Action:  
Upon approval of public act from the State

Repeat Finding:  
Yes

Reason Corrective Action was Not Taken in the Prior Year:  
Law does not allow the County to enter back into general purchasing law from 57 Act. Cost  
of implementing the combining of the offices played a factor, as well.

Planned Corrective Action:  
County Commission has voted on a resolution that has been sent to the State asking for  
approval of a public act that could correct and amend this finding.

---

FINDING: 2023-002      POLK COUNTY HAS A MATERIAL RECURRING AUDIT  
FINDING

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

## Polk County Government

---

Tel 423-338-4527  
Fax 423-338-4558

P.O. Box 128  
6239 Hwy. 411  
Benton, TN 37307

Email  
roberthatcher06@yahoo.com



Person Responsible for Implementing the Corrective Action:  
Polk County Commission

Anticipated Completion Date of Corrective Action:  
Upon approval of public act from the State

Repeat Finding:  
Yes

Reason Corrective Action was Not Taken in the Prior Year:  
Commission voted to attempt a private act to correct the finding. Action was deemed unlawful by state legal review.

Planned Corrective Action:  
Commission has voted on a resolution to submit a public acts request to the State.

---

FINDING: 2023-003                      GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS  
WERE NOT RECONCILED

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

Person Responsible for Implementing the Corrective Action:  
Catrice Lowe, Director of Accounts & Budgets

Anticipated Completion Date of Corrective Action:  
5/30/2024

Repeat Finding:  
Yes

Reason Corrective Action was Not Taken in the Prior Year:  
Research was started to determine discrepancies but a zero balance was unable to be obtained.

Planned Corrective Action:  
Finish research and make corrections to amend the known changes. Unidentified balances to be adjusted with approved budget amendments.

Signature:   
County Executive

AUDITOR'S COMMENTS ON CORRECTIVE ACTION PLAN

**FINDING 2023-001            THE DIRECTOR OF ACCOUNTS AND BUDGETS DID  
NOT MAINTAIN THE ACCOUNTING RECORDS FOR  
THE HIGHWAY DEPARTMENT**

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The county executive, highway superintendent, and director of accounts and budgets all state that the county is requesting the legislature address certain provisions of the Fiscal Control Acts of 1957. However, at the present time, the Polk County Commission has adopted the provisions of these acts, 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 220 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: 2023-001 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., Highway Official

**Person Responsible for Implementing the Corrective Action:**  
Polk County Executive/Polk County Commission/Polk County Director of Accounts and Budgets

**Anticipated Completion Date of Corrective Action:**  
N/A

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
The County Legislative Body (CLB) 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 CLB.

**Planned Corrective Action:**  
The County Legislative Body (CLB) voted on a resolution passing a private act in its irregular 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 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.

Signature:   
Highway Superintendent

2-27-2024

**FINDING: 2023-002  
FINDING**

**POLK COUNTY HAS A MATERIAL RECURRING AUDIT**

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

Roy G. Thomason, Jr., Highway Official

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

Roy G. Thomason, Jr., Highway Official

**Anticipated Completion Date of Corrective Action:**

N/A

**Repeat Finding:**

Yes

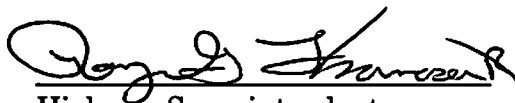
**Reason Corrective Action was Not Taken in the Prior Year:**

The County Legislative Body (CLB) voted for the Fiscal Control Acts of 1957 in 1978. With no repeal provisions for the 1957 Acts, the material recurring 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.

Signature:

  
Highway Superintendent

2-27-2024

**FINDING: 2023-003 THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

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

Roy G. Thomason, Jr., Highway Official

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

Roy G. Thomason, Jr., Highway Official

**Anticipated Completion Date of Corrective Action:**

Date - February 2024

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

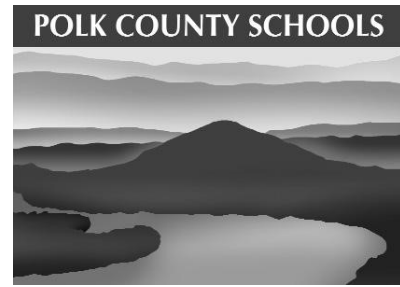
The department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records and the department has since verified appropriate processes and internal controls are in place to ensure its general ledgers are materially correct at year-end.

Signature:

  
Highway Superintendent

2-27-2024

Polk County  
Department of Education  
PO Box 665 Benton, Tn 37307  
Director of Schools, Dr. James R. Jones  
(423)-299-0471 fax (423)-338-2691



**Corrective Action Plan**

**FINDING: 2023-001 MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**

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

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

**Anticipated Completion Date of Corrective Action:**  
March 1, 2024

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
Action was taken as best as we understood, however, monies were not moved from 141 to 177 in a timely manner.

**Planned Corrective Action:**  
The Polk County Trustee will prorate the monies before closing trustee month end and put the sales tax into each fund appropriately. Therefore, a check will not have to be written from 141 to 177.

---

**FINDING: 2023-002 ACCOUNTING RECORDS FOR THE YEAR ENDED JUNE 30, 2023, WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2023, AND ACCOUNTING RECORDS FOR THE SCHOOL DEPARTMENT WERE NOT MAINTAINED ON A TIMELY BASIS**

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

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

**Anticipated Completion Date of Corrective Action:**

August 31, 2024

**Repeat Finding:**

No

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

N/A

**Planned Corrective Action:**

The BOE will hire a Full-Time employee to be in office and will take on some of the responsibilities of the Finance Director. This will free up much-needed time for the accounting month-end closing.

---

**FINDING: 2023-003**

**THE OFFICE HAD DEFICIENCIES IN THE ISSUANCE OF PURCHASE ORDERS**

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

Treva Hyatt, Finance Director of schools

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

Treva Hyatt, Finance Director of schools and Dr. James R Jones, Director of Schools

**Anticipated Completion Date of Corrective Action:**

March 1, 2024

**Repeat Finding:**

Yes

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

Action was taken; however some purchase orders did not follow policy and procedures.

**Planned Corrective Action:**

Again, email, call, and speak to all teachers, administrators, custodians, transportation, and maintenance to make sure they follow policies and procedures. We will also have the droplet program up and running that should minimize any discrepancies.

---

**FINDING: 2023-004**

**THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

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

Treva Hyatt, Finance Director of schools

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

Treva Hyatt, Finance Director of schools



**Anticipated Completion Date of Corrective Action:**

March 1, 2024

**Repeat Finding:**

Yes

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

Action was taken; however, amendments were left off in error.

**Planned Corrective Action:**

To email amendments to county clerk, be in attendance of the county commission meeting, and get a copy of the county commission meeting minutes.

---

**FINDING: 2023-005            THE OFFICE HAD ACCOUNTING DEFICIENCIES**

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

Treva Hyatt, Finance Director of schools

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

Treva Hyatt, Finance Director of schools

**Anticipated Completion Date of Corrective Action:**

March 1, 2024

**Repeat Finding:**

Yes

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

I felt action was taken, a person was hired on a part time basis to help with maintaining the liability accounts, but errors still happen when trying to correct payroll deductions.

**Planned Corrective Action:**

The BOE will hire a Full-Time employee to be in office and will take on some of the responsibilities of the Finance Director and this will also leave time for this employee to audit the liability accounts as they should be.

---

Signature:



Director of Schools

MELISSA KEITH JENKINS  
POLK COUNTY CLERK OF COURTS

164 Industrial Access Circle  
Benton, Tn 37307  
ph.423-338-4524 fx.423-338-8611

Corrective Action Plan

FINDING: 2023-002 INVESTMENT TRANSACTIONS WERE NOT POSTED TO  
THE GENERAL LEDGER

Response and Corrective Action Plan Prepared by:  
Melissa Jenkins - Clerk

Person Responsible for Implementing the Corrective Action:  
Melissa Jenkins - Clerk

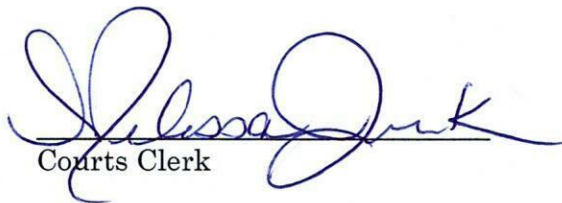
Anticipated Completion Date of Corrective Action:  
02/27/2024

Repeat Finding:  
No

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

Planned Corrective Action:  
02/27/2024 Investment transactions have since been added to General Ledger

Signature:

  
Courts Clerk

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*Polk County*  
*Sheriff's Office*

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*Steve Ross*  
*Sheriff*  
423.338.4540

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**Corrective Action Plan**

**FINDING: 2023-001      COMMISSARY BANK STATEMENTS WERE NOT RECONCILED PROPERLY WITH THE GENERAL LEDER**

**Response and Corrective Action Plan Prepared by:**  
Amanda Maples, Administrative Assistant

**Person Responsible for Implementing the Corrective Action:**  
Callie Nelms, Assistant Jail Administrator

**Anticipated Completion Date of Corrective Action:**  
3/6/2024

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
Action was previously taken and presumed to have been corrected.

**Planned Corrective Action:**  
A representative from the software is coming to help locate the discrepancy so it can be reconciled.

Signature:   
Sheriff

## **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.